Message from the Board and Executive Director

In 1979, five food co-ops in the Twin Cities pooled $4,500 to launch a mutual self-help, revolving loan fund for cooperatives. The founders’ goal was to ensure that co-ops had access to the capital they needed to sustain themselves and grow. Over the past forty years, we have grown and expanded to serve co-ops of every kind throughout the U.S. We have made over 875 loans to cooperatives and invested over $52 million into the cooperative economy.

As we celebrate our fortieth year, Shared Capital Cooperative remains rooted in the same principles upon which we were founded: economic justice, equity, solidarity, and cooperation among cooperatives. We continue our commitment to providing truly cooperative capital that supports the co-op identity and structure. And we remain proud of our own cooperative identity and structure as a fund that is democratically owned and governed by the cooperatives that borrow and invest.

Moving forward into our fifth decade of operation, we thank members and partners for their commitment to continuing the work to build a more just, equitable, and democratic economy.
Shared Capital’s Mission is to build a just, equitable and democratic economy by investing in cooperative enterprise.
North Country Development Fund (NCDF) is incorporated as a nonprofit revolving loan fund for co-ops.

Five Twin Cities co-ops pool $4,500 and NCDF makes its first loan to a co-op.

NCDF converts to a cooperative and changes name to Northcountry Cooperative Development Fund; North Country Development Services (later Cooperative Development Services) spins off as a separate nonprofit.

NCDF reaches $1 million in assets.

NCDF doubles its assets in just three years to $2 million.

NCDF receives certification as a Community Development Financial Institution (CDFI) by the US Department of Treasury’s CDFI Fund.

Northcountry Cooperative Foundation (NCF) is founded as a nonprofit 501(c)(3) co-op development organization.
NCDF and NCF launch major regional initiative to convert manufactured home communities to cooperative ownership; NCDF and NCF surpass $5 million in assets

Northcountry Cooperative Federal Credit Union (NCFCU) is launched by NCDF and begins accepting deposits and financing housing share loans

Worker Ownership Loan Fund is launched to expand worker cooperatives

The Northcountry family of organizations reorganize under separate management and boards

NCDF expands membership boundaries becoming a national loan fund

NCDF changes name to Shared Capital Cooperative to reflect national footprint and work, and exceeds $10 million in assets

Shared Capital Cooperative celebrates more than 875 loans made to co-ops totaling over $52 million
2018 Impacts & Outcomes

$2.1 million in loans
17 loans made
82% co-ops by and for low-income communities, women, and people of color
3 start-ups

Loan Portfolio Growth

Esteban Kelly of U.S. Federation of Worker Cooperatives participates in democracy in action.
“This kind of collaboration (that we had with Shared Capital Cooperative) doesn’t happen every day, in other organizations.”
—Cornelius Blanding, Executive Director, Federations of Southern Cooperatives
## Lending and programs in 2018

### Loan recipients

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
<th>Amount/Goods Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1 Builders</td>
<td>Bellingham, Washington</td>
<td>$400,000 to finance workers’ purchase of design-build company</td>
</tr>
<tr>
<td>CoMetrics</td>
<td>Boston, Massachusetts</td>
<td>$300,000 for growth of cooperatively owned technology company</td>
</tr>
<tr>
<td>Cooperative Care</td>
<td>Wautoma, Wisconsin</td>
<td>$16,000 in working capital for worker-owned and run home care co-op</td>
</tr>
<tr>
<td>Durham Central Market</td>
<td>Durham, North Carolina</td>
<td>$70,000 for store updates and to buy additional equipment</td>
</tr>
<tr>
<td>Anytime Union Taxi Cooperative</td>
<td>Montgomery County, Maryland</td>
<td>$95,000 for the purchase of accessible vehicles for a start-up worker co-op taxi company</td>
</tr>
<tr>
<td>Common Properties Management Cooperative</td>
<td>Minneapolis, Minnesota</td>
<td>$60,000 for employee purchase of consumer-owned property management co-op</td>
</tr>
<tr>
<td>Democracy Brewing</td>
<td>Boston, Massachusetts</td>
<td>$192,000 to finance start-up of worker co-op brew pub</td>
</tr>
<tr>
<td>Federation of Southern Cooperatives</td>
<td>Epes, Alabama</td>
<td>$75,000 line of credit to manage cash flow of government grants</td>
</tr>
</tbody>
</table>

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**Accelerate Employee Ownership**

Accelerate Employee Ownership brings together Shared Capital’s tailored financing with expert guidance and hands-on technical assistance from program partner, Project Equity. The initiative enables successful long-standing businesses to transition to employee ownership in order to create and sustain high quality jobs in local communities.

**Worker Ownership Loan Fund**

Shared Capital Cooperative’s Worker Ownership Loan Fund is a program created in partnership with the U.S. Federation of Worker Co-ops to create democratic jobs in low-income communities. Since 2007, WOLF has provided more than 45 loans totaling over $4 million to worker-owned co-ops, including $1.26 million in 2018.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Amount/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hub Bike Cooperative</td>
<td>Minneapolis, Minnesota</td>
<td>$140,000 for second phase of building purchase and expansion</td>
</tr>
<tr>
<td>Meerkat Media Collective</td>
<td>New York, New York</td>
<td>$60,000 to production co-op and artist collective for leasehold improvements of new offices</td>
</tr>
<tr>
<td>Regeneration Farms</td>
<td>Northfield, Minnesota</td>
<td>$284,000 to purchase mobile processing unit for co-op being formed by sustainable poultry producers</td>
</tr>
<tr>
<td>The Nokoma</td>
<td>Minneapolis, Minnesota</td>
<td>$70,000 for housing co-op capital improvements</td>
</tr>
<tr>
<td>Lexington Cooperative Market</td>
<td>Buffalo, New York</td>
<td>$550,000 working capital loan for expansion of food co-op</td>
</tr>
<tr>
<td>Natural Fiber Producers</td>
<td>Sandpoint, Idaho</td>
<td>$44,000 for a producer co-op to relocate fiber processing machinery</td>
</tr>
<tr>
<td>Seattle Wholesale Growers Market</td>
<td>Seattle, Washington</td>
<td>$75,000 seasonal line of credit for co-op owned by sustainable flower growers</td>
</tr>
<tr>
<td>US Federation of Worker Cooperatives</td>
<td>Oakland, California</td>
<td>$25,000 working capital line of credit</td>
</tr>
</tbody>
</table>

Meerkat Media, whose work has been on HBO and PBS as well as in the Sundance and Tribeca Film Festivals, built out their office in Brooklyn, New York, with a loan from Shared Capital.

**Kagawa Fund**

**Organic Valley Principle Six Fund**
The Organic Valley Principle Six Fund is a loan and investment program supporting the growth and development of cooperatively owned retail grocery stores—food co-ops—around the United States.

The fund is operated by Shared Capital Cooperative under an agreement with, and thanks to the generous financial support of, CROPP Cooperative, the parent company of the Organic Valley brand. Since 2016, the fund has invested nearly $1 million in food expansions.

**Sustainable Food Systems Financing**
Shared Capital Cooperative’s Sustainable Food Systems Financing (SF2) Program provides financing to cooperatives in the production, retail sales, wholesale, distribution, and marketing of sustainably produced food, including small farmer cooperatives and grocery co-ops.
A nytime Union Taxi Cooperative is a worker-owned company committed to creating better working conditions for taxi drivers, while also filling a critical gap with a 100% wheelchair-accessible fleet of taxis.

Anytime Union Taxi, of Montgomery County, Maryland, is the culmination of years of organizing. President and co-founder, Peter Ibik started organizing a drivers’ union in 2005, because the predominantly immigrant drivers faced rising fees and vehicle rents from cab company owners. Eventually, he says, the drivers gave up trying to reform the companies and decided to build their own business. “(Taxi companies) don’t want to change. True. And nobody can tell them how to run their business. True. So we’ll form a cooperative. Then we decide together what we want.”

Anytime boasts one of the only 100% wheelchair-accessible fleets in the U.S. This sets the new company apart and meets an unmet need in an industry facing stiff competition from gig economy ride share companies. Montgomery County, is home to Walter Reed National Military Medical Center, the National Institutes of Health campus, and approximately 8,000 to 10,000 people who use wheelchairs.

The decision also reflects Peter’s conviction to help those who have been left out. He recalls how, in his first week of work as a taxi driver in 1998, he heard calls for a wheelchair-accessible cab go unanswered for hours because the fare was too small to entice any drivers. Eventually, he went to pick up the woman—even though his cab was not wheelchair-accessible. That afternoon, he convinced the company to allow him to train on an accessible vehicle.

After several years of hard work, organizing, and planning, the Anytime team secured several grants and contracts from the county and was able to get a loan from Shared Capital to finance their first six vehicles. “We went to several commercial banks—and credit unions, too—but we weren’t able to get loans from any of them. Being a cooperative that serves cooperatives, Shared Capital looks out for co-ops. It made it look like we are smart to have opened up one ourselves!”

—Peter Ibik, Founder and President, Anytime Union Taxi Cooperative
Among the fastest growing occupations are home health aides and personal care assistants who provide care for the elderly, disabled, and chronically ill in their homes. The work can be physically and emotionally taxing. Despite this, these jobs generally pay low wages, averaging $11.12 per hour nationally.

A group of women in rural Wisconsin is working to change the nature of home care work. Their business, Cooperative Care, is a worker-owned co-op owned by the caregivers themselves since 2001.

Through the co-op, caregivers get a say in when they work, how far they travel, and what level of care they provide. Program Manager April Stevens says, “We tailor-fit our services to the client and the worker-owner.” This approach has improved caregivers’ satisfaction with their jobs and boosted retention rates in an occupation with very high employee turnover. “Now people tell us all the time that they love their jobs,” Marketing Coordinator Rebecca Koehler, says.

Home care is hard work and a tough business. Medicare reimbursement rates are low, and the lag time for payments strains the business. In 2018, Shared Capital provided a working capital loan to the co-op to ease cash flow pressures. “Getting the loan through Shared Capital relieved some of the stress,” says April. The worker-owners appreciated Shared Capital’s approach and process, noting that it felt good to be working with another cooperative.

Relieving cash flow pressure has allowed the co-op to focus on other aspects of its business, including strengthening the cooperative culture and increasing support to caregivers. With caregivers working in clients’ homes across six rural counties, it can be challenging to foster connection and support. Recently the co-op bought a coffeemaker, couch and chairs to make the office more inviting for the caregivers. “We joke about it,” says April, “but it made a big difference.” There was a contest to name the new space. The winning name? The Caregivers’ Corner.

“We truly appreciate the opportunity to work with Shared Capital and to continue to do what we do best: help people stay in their homes and provide the services they need.”

—April Stevens,
Program Manager
Durham Co-op Market is very Durham” said Raafé-Ahmaad Purnsley, Community Outreach Coordinator at the market. This simple phrase encompasses the programming, trainings, and the consistent practices used to achieve the powerful mission of this five-year-old food co-op in North Carolina. And it has shown in the co-op’s consistently strong financial performance, including 14% growth in membership last year.

“You come to a co-op because you’re purchasing something that is supporting a story you want to be a part of,” Purnsley observed. Durham Co-op Market works hard to make the concept of ‘Everyone is Welcome’ a core part of its identity. This commitment is embodied in the staff: more than 60% of employees are people of color, 15% identify as queer, gay, or transgender, and 15% have a primary or native language other than English. It shows in their $3 community dinners every Thursday. It drives their Food for All Program that offers 20% store discounts and $15 store membership to anyone who qualifies for SNAP benefits. And it is invested in the $1.1 million in products purchased from a diverse array of local producers and farmers last year.

Shared Capital Cooperative provided start-up financing to Durham Co-op Market in 2013, and in 2018, Shared Capital renewed the balance of its original loan to the co-op for another 5 years, adding funds so the co-op could undertake some store updates.

“Shared Capital was an essential partner in opening Durham Co-op Market” said Don Moffitt, of CDS Consulting Cooperative, who consulted on the startup of the co-op. Start-up food co-ops have faced intense competition in recent years, and Durham Co-op Market has proven itself —thriving as a business and delivering on its commitment to serve its community.
In early 2018, employees of A-1 Builders purchased the successful Bellingham, Washington, design/build company and converted it to a worker cooperative. The purchase, financed by Shared Capital, was the culmination of a five-year process that began when the former owners began planning for retirement. Initially, five employees purchased the business, and a plan is in place to move 100% of the 22 employees to worker-owners within four years.

Patrick Martin, A-1’s General Manager and a worker-owner, says, “Transitioning to worker ownership is like building a house. You have to break it down into its components. It’ll take four weeks to do this piece, and two months to do that one.” They put a lot of thought into developing a training plan, a methodology, and a schedule to bring employees on as worker-owners.

Financing the conversion was also a challenge. “When we started, we identified Shared Capital, a local credit union, and a national bank with a local branch,” Patrick says. But, it didn’t take long to figure out that neither the bank nor the credit union would be able to be flexible.” While Shared Capital was able to be more flexible in its underwriting, it still required a high-level of accountability, notes Patrick. “That helped us to be even more disciplined and profitable.”

In their first year as a worker co-op, A-1 Builders saw 9.8% net profit. Historically, they had never had more than 2% net profit, and construction companies don’t expect more than 3%. “We were looking at the numbers, and kept asking each other, ‘Does this look right to you? This doesn’t look right,’” remembers Patrick. But the numbers were right.

“The general vibe with our staff is that they’re pretty stoked to be here... They feel like they’re a part of something,” says Patrick. “Making things more transparent, having a more relaxed environment, and giving people the opportunity to rise to the occasion, has had a good effect.”

“You wake up one day and realize you’re not the same person you were five years ago. It’s like that with A-1 Design/Build. We’re not the same company we were five years ago.”

“...Making things much more transparent, having a more relaxed environment, and giving people the opportunity to rise to the occasion, has had a good effect.”

—Patrick Martin, A-1 Builders
2018 Audited Financial Statements  fiscal year ending December 31

We partner with the US Federation of Worker Cooperatives—their staff and board pictured here—to run the Worker Ownership Loan Fund geared specifically for worker co-ops’ growth and development. Members can invest directly in this fund.

“Shared Capital is a loan fund that is values-driven, sustainable and thinking about the future.”

—Anne Reynolds, retired director, University of Wisconsin Center for Cooperatives
2018 Investors & Donors

Boulder Housing Coalition
Candide Group
Capital Impact Partners
Catholic Health Initiatives
CDFI Fund of the US Department of Treasury
CDS Consulting Co-op
College Houses
Colorado Solidarity Fund
Common Good Finance
Common Ground Food Co-op
Community Housing Expansion of Austin
Community Mercantile
Community Pharmacy
Cook County Whole Foods
The Co-op Natural Foods
Cooperative Development Foundation
Cooperative Foundation
CP Local 001
Cronin-Geller Social Justice Fund
Eastside Food Cooperative
Episcopal Diocese of Iowa Alternative Investment Fund
Ever’man Natural Foods
Federated Youth Foundation
Flatbush Food Co-op
The Co-op
Franciscan Sisters of Little Falls
Frederick County Consumer Cooperative
Fresh Pond Capital clients
Fund for Democratic Communities
Fund for Economic Democracy, LLC
Grain Train Natural Food Co-op
GreenStar Cooperative Market
Hall Capital Partners clients
Hunger Mountain Cooperative
Inter-Cooperative Council at Ann Arbor
Isthmus Engineering
Kansas Midwives LDF
The Kentron Foundation
Kewanaw Cooperative
Lexington Cooperative Market
Littleton Consumer Cooperative Society
Loring Wolcott & Coolidge Sustainability Group clients
Madison Community Co-op
Middlebury Natural Foods Co-op
Mifflin Street Co-op
Mississippi Market
Molehill Housing Co-op
Monadnock Food Co-op
MSU Student Housing Cooperative
NASCO Properties
National Co-op Grocers
National Cooperative Bank
Neighborhood Co-op Grocery
New England War Tax Resistance
New Pioneer Co-op
New Riverside Café
New Visions Investments, LLC
Northwest Area Foundation
Oberlin Student Cooperative Association
Oneota Community Co-op
Onion River Cooperative
Open Harvest Food Co-op
Organic Valley Family of Farms
Oryana Food Co-op
Outpost Natural Foods
Ozark Natural Food Co-op
Peeke Cooperative Apartments
People’s Food Co-op
People’s Food Co-op of Kalamazoo
People’s Food Cooperative
River Valley Cooperative
Riverton Community Housing
Roots and Fruits Produce
Saint Peter Food Co-op
School Sisters of Notre Dame
School Sisters of St. Francis
Seward Community Co-op
Sinsinawa Dominicans
Sisters of St. Dominic
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Carondolet
Sisters, Servants of the Immaculate Heart of Mary
Three Rivers Market
Twin Cities Co-op Partners
Twin Pines Cooperative Foundation
Union Cab of Madison Cooperative
United Natural Foods
Valley Alliance of Worker Cooperatives
Valley Natural Foods
Weaver Street Market
Weavers Way Cooperative Association
Western Wisconsin Coalition of Co-ops
Wheatsville Co-op
Whole Foods Community Co-op
Wild Oats Cooperative
Willimantic Food Co-op
Willy Street Co-op

Investment Sources

- 40% Cooperatives
- 17% Individuals
- 10% Banks & CDFI’s
- 15% Foundations
- 5% Government
- 6% Investment Funds
- 7% Religious