

Prospera

CO-OPS: THE BUSINESS
OF EMPOWERMENT



2015 Annual Report

Prospera is a 501(c)(3) organization founded in 1995 as Women's Action to Gain Economic Security (WAGES.)

Prospera is the only nonprofit in the U.S. that focuses solely on developing and launching cooperative businesses owned by Latina immigrant women.

In the twenty years since the organization's founding, Prospera has incubated five successful cooperative businesses that benefit low-income Latinas.

From their latest data collected in 2014, the five co-ops sustained nearly 100 high quality jobs and provided eco-friendly housecleaning to more than 2,000 customers throughout the San Francisco Bay Area annually, generating over \$3 million in sales each year. The co-op owners—all Latina immigrant women—have tripled their incomes on average, and hold \$9,000 in business equity.

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"I've learned about my '*fuerza interna*,' the strength I have inside. Here I am I know it's the first step, but it's the most important step. I know it will be hard and there will be rough times but that's personal growth, overcoming obstacles."

- Prospera 1 graduate

A message from Prospera's team...

We are excited to share with you the new developments at Prospera. With all the accomplishments of the cooperatives developed in the initial 19 years of history of the organization, we felt the urgency to find new ways to make our work more impactful and sustainable. It became imperative to do more.

Thanks to the support of our funders, donors, partners, friends and families, in 2015 Prospera was able to:

- **Revise our Theory of Change** and set strategic priorities for the next 5 years: We now have a brand new program model with a performance management system to track our impact, as well as a multi-year financial sustainability plan.
- **Design and pilot the first phase of our new program:** Our six week program Explore your Cooperative was successfully launched with 18 graduates!
- **Continue to support "Just Paletas"** to grow their cooperative business in partnership with La Cocina Kitchen Incubator.
- **Strengthen leadership capacity:** We now have a small and mighty team of seven highly skilled and culturally competent staff, two fellows with direct worker owner experience, and five new board members that represent various sectors of the community.

In gratitude,
The Prospera Team

Meche Sansores, Maria Rogers Pascual, Catt Olazabal, Karla Reyes, Claudia Arroyo, Ada Recinos, and Monica Gallegos

Prospera's Board of Directors

Mariana Phipps, Chair

Sarah Picker, Treasurer

Elena Fairley, Secretary

Griselda Cuevas

Neha Gupta

Rafael Hernandez

Irma Herrera

Camille Kerr

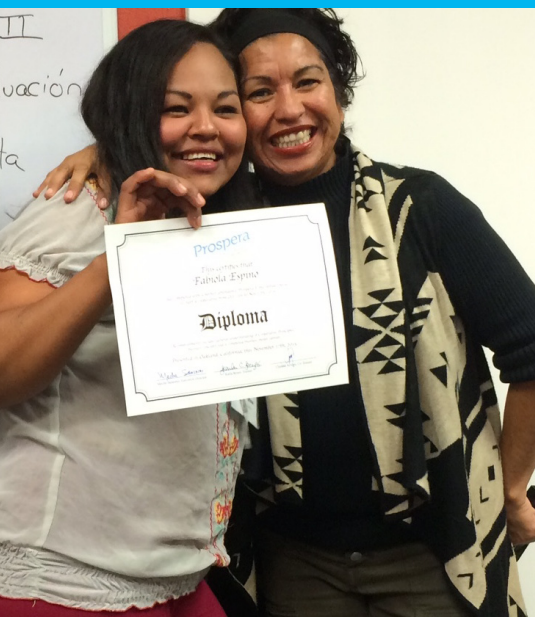
Georgina Ortega

Benjamin Osgood

Ray Schreiber

“For me, this is only the beginning of my ‘prospering’. This is the moment I start living out my dreams.”

– Isabel, current participant in our founders school



Fabiola (above left) during our Explore your Cooperative graduation, she is currently in our Founder’s School.

Prospera: a new name, a revised mission and an expanded impact

Mission Statement

Prospera’s mission is to partner with low-income, Latina women so they can achieve economic prosperity through cooperative business ownership. Prospera envisions a vibrant ecosystem of Latina-owned cooperatives transforming communities and local economies, and building prosperity for the benefit of all.

New Core Program

Prospera recruits and invests in low-income Latina immigrants with an entrepreneurial mindset and the capacity to become founding members of new cooperative ventures. Once identified, these founding members participate in a year-long intensive training, coaching, and technical assistance program which guides them from business idea, to assessment, business model generation, testing, prototyping, financ-

ing and finally, launch the co-op.

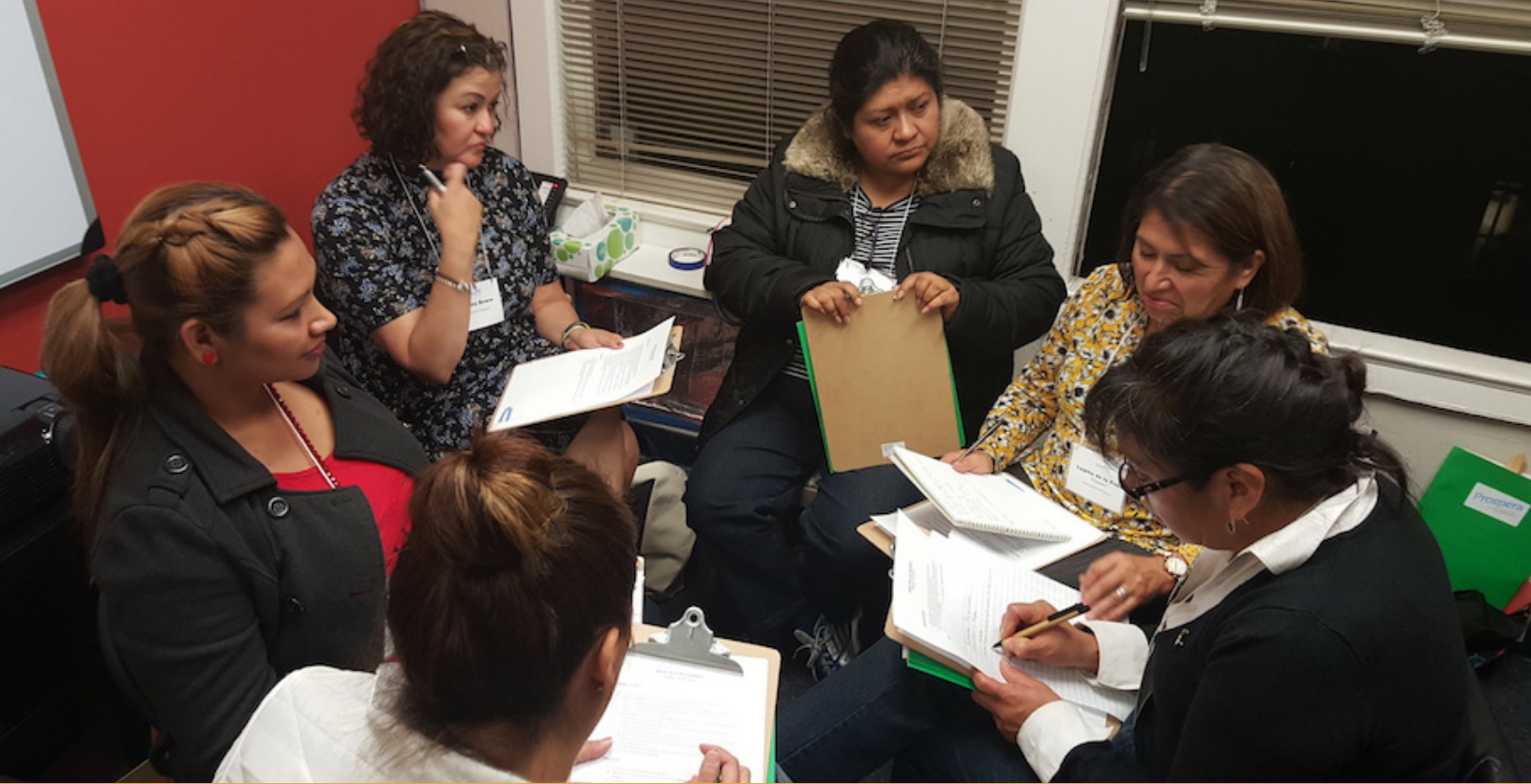
After launch, Prospera provides each cooperative with an additional two years of tailored technical assistance to promote growth and sustainability of the co-op, in areas such as sales and marketing, operations, governance, financial planning, recruitment and training of new members.

Prospera’s goal is to support the launch of three Latina-owned co-ops each year. These businesses will ultimately benefit hundreds of women, as well as their families and their communities. *By building the capacity of Latina immigrant women, we help them move their families out of poverty, create wealth in their communities, and ultimately become ambassadors for co-op development in marginalized communities.*

Our Program Model:

How Prospera supports low-income Latinas to develop worker owned cooperatives – from recruitment to launch to sustainability to replication

Phase	Process	Workshops	Individual Technical Assistance	Coaching	Mentoring
Recruitment	Enter: Individuals, small groups	Orientation (2-hour session)			Mentoring with successful entrepreneurs
Level I (2-3 months)	From: Individuals To: Cohorts	Co-op Business Basics. (6-week, 18 hours total)	Develop preliminary business model (6-10 hours)		Mentoring with successful entrepreneurs
Level II (Year-long)	From: Cohorts To: Coops Launched	Co-op Business Development & Startup (20-week, 60 hours total)	Develop and launch the co-op (30 hours p/year)	Coaching sessions to individuals (12 –hour total)	Mentoring with successful entrepreneurs
Level III (2+ years)	From: Coops Launched To: Sustainable Coop	Specialized Topical Seminars	Growth and sustainability. (30-40 hours p/year)		Mentoring with successful entrepreneurs
Level IV (1-year Fellowship)	Selected graduates	Co-op Developer Certification Program			



The co-op model enables Latinas to pool their many talents, support one another, and collectively launch and grow a business that they own together. These cooperative businesses dramatically increase both their earnings and assets, enabling the worker-owners and their families to achieve economic prosperity and thrive.

Redefined Target Population

Prospera focuses on low-income Latina immigrants, who often face barriers to success such as income and asset inequities, institutionalized racism and discrimination, as well as language and cultural barriers. The median personal income of women participating in our Paleteria co-op program is \$13,820, and

- **Have an entrepreneurial mindset** with specific business ideas and an understanding of the risks involved in launching a new business;
- **Demonstrate leadership**, collaboration, and a commitment to their community; and
- **Earn a secondary income** to support themselves as they develop their business.

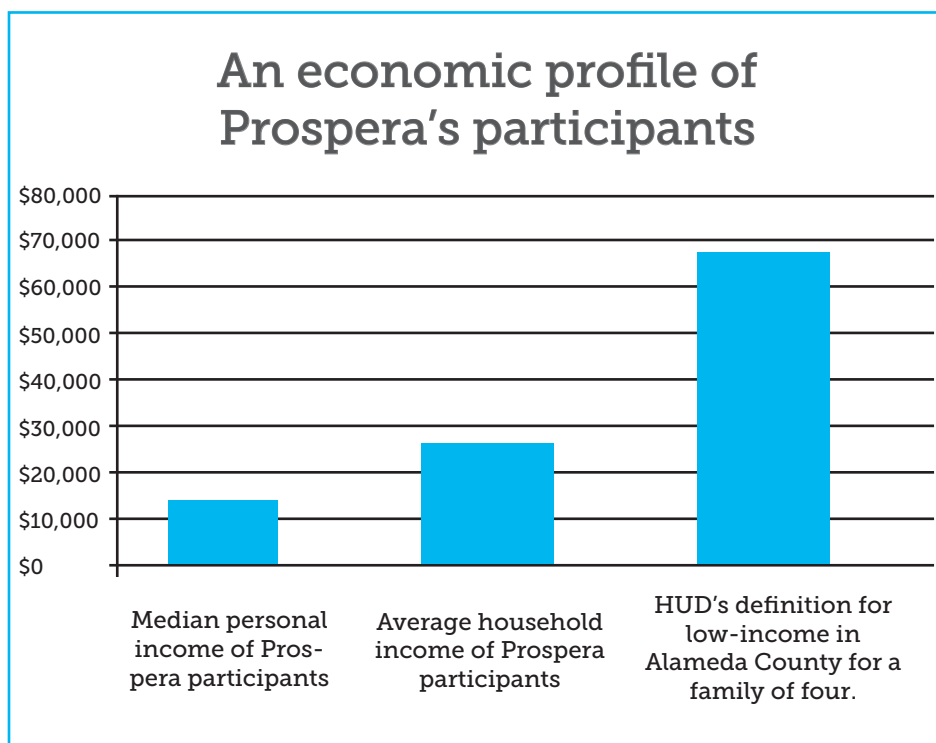
based strategy, focusing recruitment on women living in regions with significant Latino populations.

By piloting this high-impact approach in several high-need neighborhoods, this program is designed to become a replicable model for low-income neighborhoods in other parts of the state and country experiencing similar trends.

Recruitment targets women living in the following geographic areas:

- **Oakland:** Fruitvale (49.5% Latino) and San Antonio (27% Latino) districts
- **Contra Costa County:** Bay Point (25% Latino) and Richmond (39.5% Latino) in Contra Costa County.

In the next two years Prospera will consider expansion into the South Alameda County/South Bay.



their average household income is \$26,355. This figure is far below HUD's definition for low-income in Alameda County: \$67,600 for a family of four.

To increase the newly launched co-ops' chance at long-term success, Prospera requires that participants:

Redefined Geographic Focus

Prospera runs its program year-round from its Oakland, California headquarters, delivering training and technical assistance continually throughout all program phases. While the organization serves Latinas in the entire San Francisco Bay Area, it leverages a neighborhood-

Key Assumptions for Success of the New Model

Prospera believes that investing in the following areas can significantly increase the success of its new model:

- **High potential business start-ups:** In addition to recruiting and investing in Latinas with an entrepreneurial mindset and the



“I decided to pursue the fellowship with Prospera because I was seeking opportunities to grow as a leader. I feel an obligation to share my cooperative worker-owner knowledge and experience. The most recent Prospera 1 graduates got to take my workshop on Effective Communication within Cooperatives.”

Anahi Rojas (above, right)

capacity to become founding members of new ventures, Prospera vets feasible business projects proposed by graduates from the introductory training (Prospera I). This is part of the screening process undertaken before participants can advance into the intensive program (Prospera II).

- **Cooperative growth and sustainability:** After the business launches, Prospera continues providing technical assistance during the first 2+ critical years to support startups as they strive to become sustainable co-op businesses.

- **Organizational sustainability:** It is a top priority to address Prospera’s organization sustainability at all the levels. Therefore, Prospera is committed to: a) maintaining a lean and highly skilled team, b) leveraging strategic partnerships, c) maintaining a designated 5-month cash reserve, and d) developing a multi-year/multi-approach financial sustainability plan to expand its individual donor base and build new partnerships with local businesses.

- **Performance management:** Prospera is developing a performance management system in Salesforce to track outcomes for individuals and cooperative businesses in asset building, as well as in health and wellbeing.

- **Strategic partnerships:** Prospera relies on leveraging local and national partnerships that bring legal, asset management, and industry specific support as well as community development expertise.

- **Replication of the model:** Finally, Prospera offers a yearlong fellowship opportunity for Latina leaders who have graduated from its program and have demonstrated interest in becoming cooperative developers themselves, thereby expanding Prospera’s impact in high-need neighborhoods. With support from national partners Prospera will impart its model with other communities and partner organizations across the country. ♦

2015 Financial Statements

STATEMENT OF FINANCIAL POSITION

ASSETS

Total Cash	\$298,408
Accounts Receivable	\$125,221
Other Current Assets	\$15,452
Fixed Assets	\$11,748
TOTAL ASSETS	\$450,829

LIABILITIES AND EQUITY

Liabilities	\$19,966
Equity	\$430,863
TOTAL LIABILITIES AND EQUITY	\$450,829

PROFIT AND LOSS

REVENUE

Contributed	\$609,747
Earned Revenue	\$1,091
In-Kind Revenue	\$27,412
TOTAL REVENUE	\$638,250

EXPENSES

Programs	\$360,346
Fundraising/Communications	\$159,634
Administration/Management	\$92,948
TOTAL EXPENSES	\$612,948
NET INCOME	\$25,302

2015 Funders

\$100,000 +

Tipping Point Community
Levi Strauss Foundation

\$30,000 - \$99,999

Chevron
Zellerbach Family Foundation
Catholic Campaign for Human
Development
Y&H Soda Foundation
San Francisco Foundation

\$5,000 - \$29,999

Friedman Family Foundation
Wells Fargo Foundation
Ameriprise Financial
Union Bank Foundation
Rainbow Grocery Cooperative
Walden Capital Management

"We're an example of the strength and leadership that Latina women have. I hope that we can go forward and inspire other women to believe in themselves, because it can be done!"

- Prospera 1 graduate

A VIABLE SOLUTION FOR INCOME INEQUALITY IN THE USA: Worker-owned Cooperatives

"The benefits of being part of a cooperative go beyond financial outcomes. The women set company policies as collective managers, and engage in democratic decision-making, which include having a voice and a vote in all major business decisions."

What will it take to close the gap of income inequality in the USA? Truly, it is not a "gap"; it is an abysmal chasm. Income inequality grew rapidly in the USA over the last half a century. With the globalization of the workforce- **workers did not have the power to retain their jobs in America.** Corporations moved their factories overseas seeking a cheap and unprotected workforce. Thereby, flooding many American markets with low-cost products manufactured mainly in Asia putting out of business many small and median local companies. Consequently, American

workers lost their stable, secure jobs and were forced to transition to low-wage part-time jobs or unemployment. For many Americans, the "American Dream" became far out of reach.

Right now, powerful options exist to push back against alarming increases in poverty and income inequality. It requires multiple approaches and collaboration to build a new economy. One proven model is worker cooperatives: values-driven businesses that put worker and community benefit at the core of their purpose. By placing worker's needs before investor's profits, successful worker coopera-

tives democratize wealth rather than concentrating it.

This is not a utopian vision; it is a model that since the 1950s has been successfully implemented in the most devastated and poor regions in Italy and Spain. Now, Emilia Romagna region in Italy and the Mondragon region in Spain have created thriving and powerful communities with strong co-op businesses that provide employment to hundreds of thousands of people. They are not alone; worker co-ops

with rapid growth are successfully being developed in China, Brazil, Argentina, Uruguay, Colombia, South Africa and India, among others.

In the USA, co-op development lags behind this trend with about 350 worker-owned coops that provide employment to about 7,000 people. As yet the conditions are not in place that contributed to the success of Italy and Spain including: accessible capital to worker-owners; strong infrastructure of technical assistance and support to worker coops; appropriate

legislation and tax incentives; and, strong federations of coops that spark considerable political power and favorable legislation. However, there is a growing interest and efforts to develop the co-op field in the USA, with emerging organizations around the country.

Prospera is joining efforts in the Bay Area with the Bay Area Cooperative Ecosystem; Democratizing Capital East Bay; and at national level with the US Federation of Workers Cooperatives and the Working World Peer Network. ♦



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Written by Meche Sansores

A very special thank you to Mariana Phipps, Neha Gupta, Elena Fairley, Camille Kerr, Maria Rogers Pascual, Catt Olazabal, and Ada Recinos for their contributions to this annual report