

Worker Cooperatives: A Potential Solution for Workplace Mental Health

Worker co-ops support worker mental health and well-being through ownership, voice, and meaningful participation

According to a study by the University of Wisconsin Center for Cooperatives, the structural features of worker-owned businesses, including shared ownership, democratic decision-making, worker voice, and collaborative workplace cultures, create conditions that support mental well-being. Interviews with 14 U.S. worker co-ops found that workers linked their well-being to four features of cooperative workplaces:

- Normalizing mental health
- Building workplace community
- Creating meaningful work
- Strengthening job security

What is a worker co-op?

A worker co-op is a business that is owned and controlled by the people who work there. Workers have a voice in major decisions, help shape workplace policies, and share in the benefits of the business's success.

Worker co-ops support open discussions of mental health.

Workers in worker co-ops reported that mental health is treated as a workplace priority, not just an individual issue. Because workers help make decisions, they can create policies that support well-being, such as wellness days, flexible schedules, and workplace-wide rest periods.

Many worker co-ops also normalize conversations about mental health through:

- Regular check-ins
- Wellness committees
- Staff surveys
- Peer support systems

Overall, participants said worker co-ops create a culture where workers feel comfortable discussing challenges, seeking support, and helping one another maintain a healthy work-life balance.

Why it Matters: Many workers feel pressure to hide stress or burnout. Co-op workers described workplaces where asking for support was accepted and encouraged.

Worker co-ops cultivate workplace community supportive of mental health and well-being.

For many workers, the strongest benefit of being in a worker co-op was the sense of community, shaped by three key qualities:

- *Unity:* Workers share goals, values, and responsibility for the co-op's success. They work together to solve problems, support one another, and navigate disagreements respectfully.
- *Mutual Care:* Workers often described their co-ops as feeling like a "family" or "sisterhood." Colleagues offer emotional and practical support, fostering belonging and psychological safety.
- *Solidarity:* Workers consistently said that people "have each other's backs," supporting one another, sharing risks, resolving conflicts, and putting collective success first.

Why it matters: Strong workplace communities can reduce isolation, increase support, and foster a sense of belonging, benefiting mental health and organizational success.



Job security supports mental well-being.

Workers reported that cooperative ownership strengthens job security by giving employees a stake in the business and a voice in important decisions. Key factors included:

- *Shared decision-making:* Workers participate in decisions about profit, compensation, and workplace policies, creating a stronger sense of stability.
- *Retention over layoffs:* During economic challenges, many cooperatives reduce profits or hours rather than eliminate jobs.
- *Worker investment in success:* Worker-owners are motivated to improve business performance, which supports long-term stability.
- *Intentional recruitment and development:* Cooperatives recruit people aligned with their values and provide training, mentorship, and pathways to ownership that strengthen commitment and retention.

Why it matters: Job insecurity is a major source of stress and anxiety. Giving workers more control and protection during difficult times may create more stable and resilient workplaces.

Having a voice at work makes work feel more meaningful.

Workers described their jobs as more meaningful because they felt respected, included in decision-making, and connected to a larger purpose. Participants highlighted several factors that contributed to this sense of meaning:

- A people-focused culture that supports personal growth, well-being, and work-life balance.
- Worker voice and respect, with opportunities to help shape workplace policies, benefits, and business decisions.
- Autonomy and flexibility, including greater control over schedules, assignments, and how work gets done.
- A sense of making a difference, both within the cooperative and in the broader community through local impact and shared purpose.

Why it matters: When workers feel respected, empowered, and connected to a larger purpose, work becomes more meaningful – which research shows can improve well-being, reduce stress, and increase engagement.

Policy Recommendations

Policymakers can strengthen workforce well-being by supporting policies and investments that promote worker voice, economic security, and shared decision-making in the workplace:

- *Worker Cooperative Development* – Expand access to financing, technical assistance, and business support for worker-owned cooperatives.
- *Employee Ownership Initiatives* – Increase opportunities for employee ownership through cooperative conversions and business succession planning.
- *Worker Participation in Decision-Making* – Use shared governance models, strengthen employee voice in decisions affecting work conditions, scheduling, and organizational priorities.
- *Workforce Development and Training* – Invest in training and leadership programs that support effective worker participation and collaboration.

About the Research

This flyer is based on findings from *Mental Health in Worker Cooperatives: Evidence for Upstream Intervention* by Yanni Liang, PhD. This research was supported by the University of Wisconsin–Madison Division of Extension through the Innovation Grant Program. Access the full research paper at uwcc.wisc.edu.