

## Revaluing Finance Work:

### Insights & Takeaways from Interviews with Finance Folks in Worker-Coops, Community-Supported Businesses and Social Justice Organizations

Worker-coops, community-supported businesses and social justice organizations have different financial management needs than traditional organizations and non-profits. Because their specific structures and visions work against the current financial and economic systems, they need different financial systems and management than traditional organizations. Via interviews of nearly a dozen individuals, several common challenges and opportunities emerged as important themes.

#### **Challenge #1: Finance & administration positions are undervalued**

This overarching theme can be seen as a root cause that informs and sets the stage for many of the other issues facing alternative organizations. These organizations consistently underfund their finance and administrative work, resulting in a lack of professional development, resources and support for their financial and administrative employees and members.

#### *Lack of training and resources*

The vast majority of radical and alternative bookkeepers have not been formally trained, either learning as they go or from their predecessors. Nearly all interviewees learned on the job and have not been afforded the opportunities to participate in professional development. They are often not provided the necessary infrastructure – such as current or updated databases and accounting software – or allocated enough time to do their best work.

#### *Finance and admin not seen as “the work” of organizations*

In social justice organizations, administrative and financial work is often not seen as “the work” of the organization because it is not field organizing. As one non-profit interviewee noted, for nearly 15 years in her organization, financial work has been relegated to “something volunteers can do” and is seen by the organization as an area that they don’t need to understand and staff should not be paid to work on.

Similarly, in for-profit businesses, these roles are often afterthoughts or tagged onto someone’s other duties, rather than being treated as an important and vital piece of the organization. Another interviewee noted, “Small organizations often combine HR, finance and admin, and it is rare to find folks that have all those skills.”

Often, the value of a position or work-area is directly related to the amount of revenue it brings in. Therefore, non-revenue-generating positions, such as admin and finance, are seen as less valuable to the long-term viability of the business. As one interviewee explained, “Focusing only on what work is bringing in money for the business is very short term and sees only a clear A-B connection; everything else



is seen as non-money making and therefore less important.” For social justice organizations, one interviewee explained it succinctly: “Folks want to do the [organizing] work, not build the organization.”

### *Focus on low overhead*

Simultaneously, external pressure from lenders and funders forces businesses and organizations to have low overhead. Funding for non-profits is often split between program and overhead, with very few foundations giving general operating grants. According to an interview, “Most grants are outcome driven, which are so hard to achieve; there just aren’t enough general operating grants out there.” Even when they do receive general operating grants, the money often goes towards programmatic work because of aforementioned undervaluing of backbone operations. Several interviewees pointed towards the disconnect between what it takes to run an organization, where the money goes and what funders think their money should go towards.

### *Opportunities to address Challenge #1:*

Many interviewees spoke about the need to work with leadership to address the importance the roles of finance and admin have in their organizations. A cultural shift needs to take place within many organizations that are operating under a scarcity model – of money, time and commitment – to allow for the valuing of all aspects of their organizations. This could take the form of workshops, facilitated conversations or resources illuminating the long-term returns of strengthening an organization’s core.

Also, engaging entire organizations in financial literacy workshops would illuminate the need for professional development and training for finance positions, as the specific and complex skills of financial management would be more tangible. As one interviewee explained, “The more transparent and accessible you make finances, the more invested folks are in it.”

Another interviewee said that financial literacy is important to “get people past being afraid of a spreadsheet so they can get to the next level of having a conversation about the budget and how it reflects their business.”

### **Challenge #2: Lack of folks with a combination of hard finance skills and shared values and vision**

As previously mentioned, social justice and values-driven organizations’ finance people are mostly self-taught or trained on the job. This is in line with values of sharing, collaboration and mentoring. However, it limits the scope of hard financial skills by recycling the same skills without injecting new and innovative ones. There is also an issue of finding training resources that combine the hard financial skills with the values and politics of the alternative organizations.

### *Finding the right blend of hard skills and vision to bring into the organization*

Organizations want to focus on bringing in folks with the hard skills, as that is what they are lacking. However, it is equally important to make sure additions to any organization are in line with the vision and values of that organization if the partnership will work. One interviewee explained that for her organization, “it’s challenging to find folks who have chops with those hard skills and also have a commitment and knowledge of racial equity and racial justice, more than just a commitment to racial justice as an idea. We want folks who have experience doing racial justice work, and it’s easier to find that in folks who are doing organizing work and/or research.” Worker-coops and community supported businesses face similar challenges in finding finance folks that understand and support the alternative structures of their organizations.

### *Hiring outside support*

Two major issues arose when hiring outside support: loss of ownership of information and lack of aligned vision and values. Traditional finance firms keep clients’ information in house and send reports when requested. “It is common for most folks to have no idea what is going on [financially] and hire outside finance folks who create reports that don’t mean much to staff,” acknowledged an interviewee.

When organizations chose to hire outside bookkeepers, there was a lack of understanding of the underlying values inherent to the business or organization by traditional financial firms. For grassroots organizations, accountants did not understand the various campaign and funding nuances. Worker-coops had a difficult time finding accountants and bookkeepers that understood the specific financial structure of a collectively owned business. In these cases, the organizations were doing just as much work to categorize and code their information while losing access and ownership of their financial information. While they were getting some of the financial expertise needed, there was often a large amount of work done by the organization in the form of educating traditional finance folks or categorizing information ahead of time.

### *Lack of board member development*

The role of boards (including advisory boards, boards of directors and boards of trustees) is often to oversee the operation of an organization. Unfortunately, while individuals are often recruited because of their aligned visions and values, they often lack the knowledge around finances to effectively perform their leadership duties. Specifically, membership-based organizations want to empower members but then have a board without the skills/knowledge to oversee things like the financial and administrative systems. One interviewee pointed to how we are setting up boards to fail “because they don’t have the skills necessary, specifically around finance; with boards, we are often asking laypeople to make serious decisions around legal and financial matters.”



### *Lack of mentors and community*

The need for mentors and community also came up as an important theme amongst radical finance folk. Because small organizations often only have one finance position – if any – there is no internal community around the intersection of hard skills and vision/values. The lack of mentors and community means that skills are not shared, developed or enhanced. One interviewee noted that when she was able to network with other financial managers, she turned out to be the only woman of color in the room and felt incredibly disconnected from the majority of conversation with a predominantly white male room. Another interviewee expressed the explicit desire to have a network of finance folks to call for quick, specific questions. This lack of support often means simple questions take unnecessary time to research and figure out.

### *Opportunities to address Challenge #2:*

Two opportunities that exist to help support the development of hard finance skills for folks with aligned values and visions are the Ms Foundation and the Cooperative Fund of New England (CFNE). The Ms Foundation gives grants specifically for work with financial and administrative consultants. CFNE is a lender for coops and creates a symbiotic relationship with its recipients by providing consulting and business support in order to ensure loans will be paid back. Both of these resources focus on developing the internal financial knowledge of organizations.

Other opportunities for training include the creation of hard-finance skill trainings for those already involved in the solidarity economy and social justice organizing. One interviewee noted the importance of training an entire staff around racial justice issues; when you train an entire staff, you are inevitably training the finance folks as well and helping them align with the vision and values of an organization. Similarly, creating social justice-focused trainings with Technical Assistance providers would help to align those with the hard skills with the visions and values of organizations they will be working with.

As for the lack of community, the creation of a radical finance conference and/or other networking events would help bring isolated people together, create professional networks and relationships and give voice to the importance of finance work in our movements.

### **Challenge # 3: How we talk about money and values**

When asked how coops, community-supported businesses and social justice organizations talk about finances and money in a values-based way, the overwhelming answer was that they don't.

### *The need to talk more about money, in general*

For the most part, individuals and organizations don't talk about money and values at the same time. As one interviewee explained his experience, "The values of money in business is very different from the values of money in the cultural left; bridging



that gap is challenging.” Another interviewee said, “We’re doing a disservice to transforming the world when we’re not willing to be explicit around money... both in a giving and receiving sort of way. We need to inject our values around that in a way that people are not wanting to do. I don’t have answers, but talking about it more might help.” Another interviewee explained, “When we don’t talk about money, it becomes emotionally charged; talking about money can be a healing experience in line with our values and work.”

### *Relationship to class*

Talking about money inevitably brings up people’s class status and histories. While conversations are emerging to support working class individuals and communities, there is still a long road ahead. The ability to actively avoid conversations around class is indicative of the often middle-class white privilege to opt out of conversations in which one holds power. This is prevalent in the worker-coop community, in which participation is necessitated by a base accumulation of wealth.

### *Lack of language that matches values*

Again, going back to lack of training and/or undervaluing this work, many organizations are trying to bring together their values with frameworks and language that come from traditional capitalist economics and culture. The lack of cohesive language and philosophy around values-based financial conversations provides its own set of challenges. Several interviewees point to the lack of resources and training, yet again, to create a language and a framework to use as a common backbone to the work. Often individuals are creating and using new language to talk about values-based finance, but are isolated within their organizations.

### *Insular culture*

Lastly, many alternative, radical and social justice-based communities can end up being too insular. Often, newcomers who don’t speak “the language” are pushed out of movements, rather than welcomed in. While causing many issues and illuminating many hypocrisies for organizing communities in general, this potentially loses individuals with the ability to bridge the hard skills of finance with the values and principles guiding our movements.

### *Opportunities to address Challenge #3:*

Again, a larger cultural shift within our organizations and movements is needed to begin creating common language and frameworks to talk about finances in new ways. Opportunities exist for workshops, trainings, TED talks, and resources that work to embed values into financial conversations. Creating more spaces and opportunities to demystify the current economic system and give voice to what we want to see is incredibly important.

There is also the opportunity to create transparency in financial systems within and between organizations to break down taboos and fear of talking about money. By shifting the conversation on an institutional level, we can shift the conversations on individual levels as well.

#### **Challenge #4: How power dynamics play out around money, finances and admin work**

Worker-coops, community-supported businesses and social justice non-profits are not immune to the ways power dynamics unjustly play out.

##### *How finance committees often play out*

Financial decision-making is a major source of power in an organization, as it can dictate how and where money is spent, salaries and wages within the organization and how money is invested in or out of the organization. Worker-coops, community supported businesses and social justice organizations often have finance committees that create recommendations for the members, board or business to adopt. In worker-coops, for example, a finance committee often creates policies around how much surplus is given to worker-owners and how much is invested back in the business. As one interviewee broke it down, “So much power comes with finance committees, and they come with ideas, and everyone goes along with it, which is indicative of trust but also then has power positions held by and making decisions from places of power.” Because of a common lack of understanding, interest or desire to learn about financial decision-making, most organizations adopt the recommendations with little discussion.

##### *Gender & Finance*

Gender came up as the most explicit social dynamic around finances. On the one hand, the finance world is overwhelmingly dominated by men, due to cultural narratives that men are better with numbers and financial decision-making than women, trans and queer folks. These cultural biases become internalized to the point where women, trans and queer folks are opting out and stepping back from roles seen to be “better served” by men. As one interviewee experienced, “In my coop and other coops, overwhelmingly folks socialized female are overwhelmed by finances; it’s helpful to break down that finance work is just addition and subtraction. Folks that see this work as being ‘for them’ is highly based around gender.”

On the other hand, when women, trans and queer folks take on financial work, it is devalued. Another interviewee acknowledged that “administrative and finance work is generally relegated to women who generally have no authority in the organization! The work is not seen as legit or recognized.” It becomes unnecessary and unimportant work, and is often seen as nagging if the desire to talk about financial systems is brought up to the larger organization.

### *Immigration, racism and class*

One interviewee explained how “ first generation immigrants and people of color think, ‘[Financial work] isn’t for me’ because cultural narratives tell them this is not for them and they can’t make financial decisions; the cultural narratives get internalized so strongly. People are their own worst enemies in terms of checking themselves out and saying they can’t do it.”

Individuals and communities coming from low-income and working class backgrounds also face many challenges regarding power sharing in financial decision making. For worker-coops, specific challenges arise around community and individual empowerment when it comes to capitalizing a business because capital must come from worker-owners. Social justice non-profits working in low-income communities face similar challenges in regards to fundraising because of lack of grants willing to address root causes of poverty as well as challenges associated with grassroots fundraising campaigns in low-income communities. While these organizations are coming up with fundraising solutions that meet the financial realities of their communities, they face many more challenges than those leveraging wealth in affluent communities.

#### *Opportunities to address Challenge #4:*

As noted above, a focus on valuing both the work and the workers who take on administrative and finance work is a baseline imperative, through workshops, trainings and group facilitated conversations.

Addressing power dynamics and working to challenge them must be a focus of any justice-based organization. This can be addressed through finance committees with rotating positions – so that power is shared over time – that have an explicit educational component in order to empower other members. There appears to be a need both for workshops and trainings specifically focusing on Sexism, Patriarchy and Finances as well as Financial Empowerment Through Financial Literacy for Women, Queer and Trans-folks.

One interviewee described a source of her strength in this way: “All the ways my identities make me different gives me different access to interact with money and the ability to make it up and make it [my] own.” Another interviewee explained how being queer is tied to the solidarity economy because “both are rooted in mutual aid and necessity; we need to take care of each other because nobody else is.” Embracing diversity and engaging in conversations around power and privilege are necessary to shake up current financial power dynamics. Supporting and empowering marginalized identities and communities is necessary when we talk about forging new paths.

