CHECKING IN WITH JOE HOLTZ ON COOP LIFELINES

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Joe Holtz hopes we can find a way to expand the Coop's hours from 77 per week to 112.

Photo by Zachary Schulman

By Leila Darabi

Six months into the COVID-19 pandemic, the Coop is working on increasing store hours, allowing more members to shop at a time and other strategies to bring more cash in the door.

General Coordinator Joe Holtz described these efforts in an interview with the *Gazette* in which he also shared an update on finances, delivery and member labor. "Bringing back member labor is the most important essential element of our Coop. It's the most unique, foundational, spiritual thing about our Coop," said Holtz, who is also the

Coop’s treasurer and co-founder.

Despite the financial challenges of recent months, Holtz said the Coop has a healthy bank balance of $3.9 million. That’s about the same amount that the Coop had at the end of last year and roughly tied with its highest cash level in history. In July of 2019, the Coop’s cash balance was $3.3 million.

Member Investments and Loans



llustration by John Donohue

But the Coop’s current balance obscures the financial challenges of recent months. One reason the cash balance is so high is that the Coop received $1.5 million in federal funds through the Payroll Protection Program. While technically a loan, the Coop has applied and is eligible for the loan to be forgiven in full.

Also, the Coop has received $700,000 in contributions though the Member-Owner Equity Investment Campaign, which encourages members to increase the investment they made when joining the Coop. Members can request to get back any contribution they make over $100 at any time. The Coop will honor that request within two weeks.

Without the federal funds and the additional member investments, “we would be down to $1.7 million in the bank and that would be very frightening because we haven’t changed the tools of burn,” Holtz said.

Slumpless Summer


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SUMMER
$ SALES $
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llustration John Donohue

In other words, the Coop continues to incur increased expenses and make far fewer sales because of shorter hours and restrictions on how many people can shop at a time. Payroll expenses in particular are up by $27,000 per week to cover minimum wage for the part-time labor hired to work while member labor is suspended.

In the category of “temporary good news,” Holtz shared that the Coop traditionally experiences a major drop off in sales in July and August when many New Yorkers leave town for summer vacations. “People seem to be staying in town,” Holtz said. “As opposed to a week in mid-June when sales were down $400,000 [from a comparable week the year before], we’re only down $200,000 per week in July.”

More open hours and more people in the store



Increases in shopper volume will be made slowly so that members and staff like Carline Aurelus can assess how safe they feel. Photo by Zachary Schulman

One “lifeline” that Holtz says he and the other General Coordinators have focused on

is increasing the Coop's hours of operation.

"Tweaks we have made to add a half hour of shopping here or there make a difference," Holtz said. "We're going to need [even] more hours. We used to have exactly 100 hours of shopping per week. Now we have 77 per week." Even if the Coop resumed its pre-COVID-19 hours of operations "100 hours at less volume is still a problem." Holtz said he hoped to find a way for the Coop to expand its hours to as many as 112 hours of operation per week.

Another strategy for increasing revenue has been to allow more shoppers in the store at a given time. Since the Coop reopened, 35 shoppers have been allowed to be inside at the same time.

By the time of publication, this number has increased to 38. Holtz stressed that any increases to capacity would be made slowly so that staff and members could assess how safe they feel about the crowds. While an additional three shoppers at a time may not sound like much, by Holtz's estimates it could lead to an 8.5% increase in sales every day.

In other efforts to speed up the flow of shopping and get more shoppers in the door, the produce aisle now allows 14 people at a time (seven per side) and aisles two through seven, once limited to four shoppers, now allow five at a time.

Member labor


Amy's
WHOLE MEALS
MADE WITH ORGANIC VEGETABLES
VEGGIE LOAF
ROASTED POTATOES & VEGETABLES

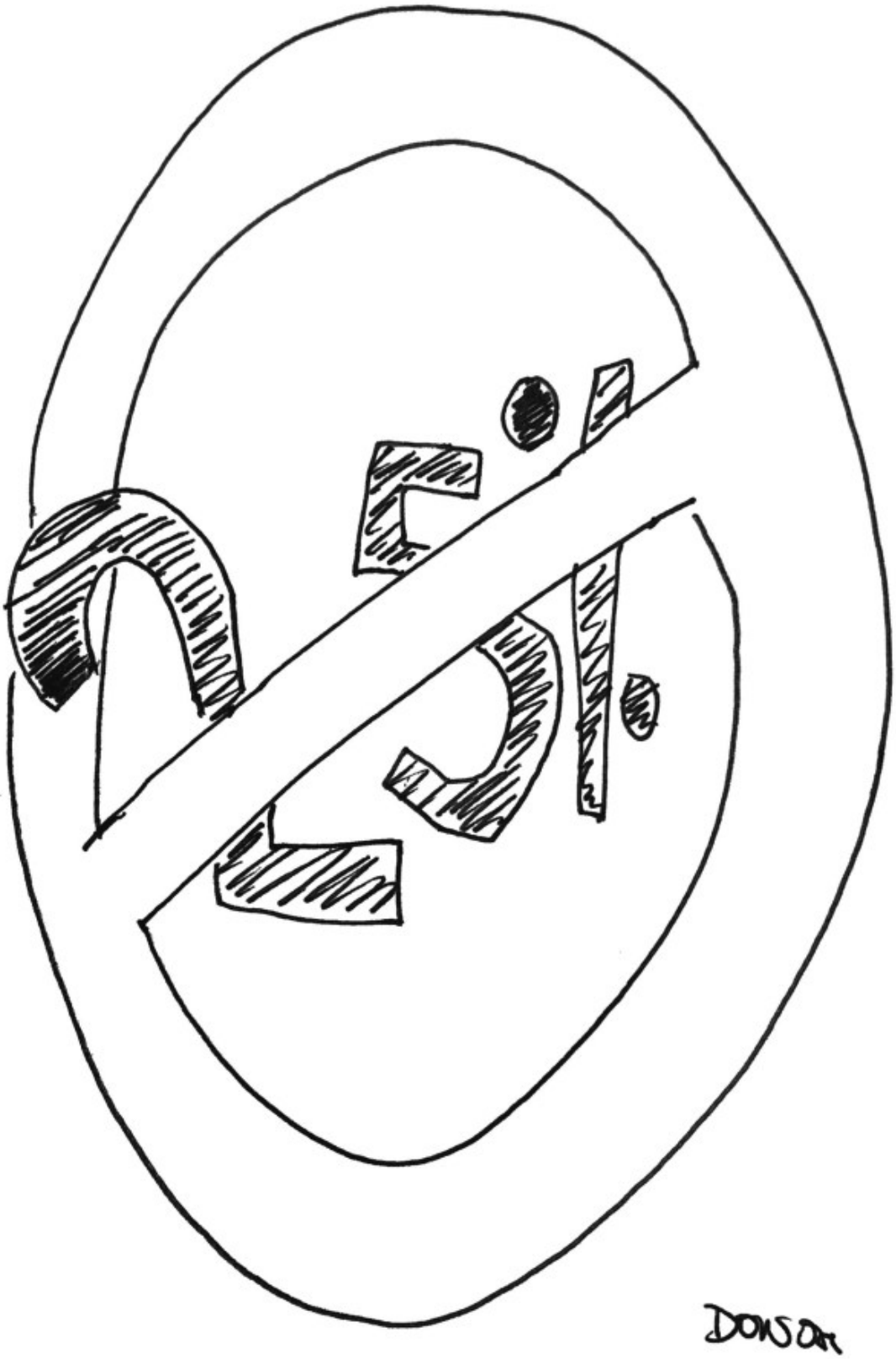
To reduce labor costs, the Coop is focused on bringing back member labor, which is currently performed by hard-working temps like Jonathan Landreth. Photo by Zachary Schulman

Another focus of Holtz and the General Coordinators' is reducing labor costs by bringing back member labor. They sent a survey to members to assess people's comfort level with this idea. Holtz says he hopes that the expense of hourly workers is temporary. But "as of this moment there's no date for reducing the temp labor force," Holtz said

Raising prices

The July General Meeting included a discussion of increasing the Coop's markup from 21% to 25%. Holtz says he worries about this option, which he wrote about in the July 10 Coordinators' Corner in the *Gazette*. The proposed markup will be voted on at the August meeting. The additional markup would, for example, turn a $50 shop into a $52 shop.

Our Coop is known for excellent prices and is premised on the idea that by working together we can keep prices low. While an increase would possibly help us financially, the concern is that it could be a burden on those members/owners who can least afford it.


DONSON

llustration by John Donohue
Higher prices also would be a risk to the Coop in a less obvious way. As our prices rise, some members could choose to shop elsewhere.

Holtz would prefer to focus on radically increasing the Coop's hours of operation, restoring member labor and finding safe ways to allow more shoppers in the door—including allowing more in at a time and finding ways, once inside, for shoppers to move through the store and checkout more efficiently.

Delivery

When asked about delivery and curbside pickup options, Holtz said he isn't opposed but that "the General Coordinators have reasons why we haven't done it yet, we've had our hands full."

Holtz referred to May 21 Coordinators' Corner *Gazette* article written by General Coordinator Ann Herpel in which she laid out many of the challenges of initiating a delivery program. Holtz was quick to clarify that the piece does not mean the General Coordinators are opposed to the idea.

"We have this unserved body of the membership," Holtz said. "We have not been fast to develop this delivery."

Just before COVID-19, the General Meeting approved a pilot delivery program for members with disabilities. But, due to member labor suspension, it has yet to launch.

Holtz noted that the Flatbush Food Coop has offered delivery for years, and that delivery programs introduce new challenges and labor needs.

"I recognize the efficiency of shoppers gathering their own food, it's the basis of why supermarkets were invented 100 years ago," he said, referencing the historic local market system where store clerks gathered items for shoppers and often delivered them. That model, Holtz underscores, included a high cost of labor that led to the self-

-service model of today. “When you don’t do that gathering of food, someone else has to do it.”

Holtz encouraged members to submit delivery and curbside pickup ideas to the General Meeting agenda. “It’s fine for members to tell [the General Coordinators] that though we appreciate you, we really need you to do this. Tell us more–not just through the *Gazette*, but at the General Meeting.” ■