



Cooperating for a Better Tomorrow

Creating Economic Opportunity for Americans and People Around the World

A PRESIDENTIAL TRANSITION BRIEFING PAPER

Information and Recommendations for the Trump Administration

We are united in our purpose to create a better-informed electorate and a more educated public on the important role cooperatives play in the economy.

People know that throughout the world the cooperative business model makes it possible for more people to own and control their own businesses, applying guiding principles that strengthen their community. Yet not everyone understands what cooperatives do and how they are a force for good.

Cooperation remains a powerful approach to economic development but can be overlooked when policymakers consider ways to tackle this country's economic challenges. The cooperative movement benefits from a structure that evolves and adapts with every new socioeconomic challenge our country faces. It is time to take advantage of the cooperative model to solve a number of today's public policy challenges.

OUR ASK

The Administration should look to the cooperative business model to help answer some of the nation's most critical questions, to look for ways to create economic opportunity, to provide more people the ability to own and control businesses and to build more resilient communities by enabling recognition of cooperatives across federal programs and the budget. NCBA CLUSA stands ready to work with the Administration to identify opportunities in federal departments and agencies through the Interagency Working Group on Cooperative Development. We embrace the cooperative model as a bipartisan solution in the policy process and encourage the Administration to work with the Congressional Cooperative Business Caucus on policy and legislation that is impactful to cooperatives.

THESE ARE THE FACTS:

- 1 in 3 Americans is a member of a cooperative
- Cooperatives account for 120 million members, 2.1 million jobs and 140 million customers
- Cooperatives create more than \$75 billion in annual wages with revenue of nearly \$650 billion
- More than 100 million Americans turn to more than 6,000 credit unions for their financial services
- 233 million Americans are served by cooperative-owned and affiliated insurance companies
- 42 million Americans rely on electricity from 900 electric cooperatives in 47 states, making up 42% of the nation's distribution and electrifying 75% of the nation's landmass
- Most of the nation's 2 million farmers belong to a farmer cooperative and provide 250,000 jobs and over \$8 billion in annual wages

CONTACT:

Cooperatives are owned and controlled by the people that use them. The cooperative business model works to ensure consumers have access to high quality goods and services at competitive prices. Numerous surveys show consumers who understand the co-op business model prefer cooperatives based on co-ops' trustworthiness, commitment to community and having their best interests in mind. Because of this, more policymakers are becoming familiar with the cooperative model:

HOW (do cooperatives operate)

A cooperative is a business or organization owned by and operated for the benefit of those using its services. Profits and earnings generated by the cooperative are distributed among the members, also known as member owners.

Typically, an elected board of directors and officers run the cooperative while regular members have voting power to control the direction of the cooperative. Members can become part of the cooperative by purchasing shares. Each member of the cooperative has an equal vote.

WHAT (do cooperatives look like)

Cooperatives come in all shapes and sizes, and can be classified into main sectors: financial services, housing, retail, electric, worker, purchasing and producer.

As a proven business model for over 150 years, cooperatives continue to break the traditional mold for how successful businesses are organized and function. While most people recognize credit unions, rural electric providers and large national consumer brands like Nationwide Insurance, Organic Valley or REI, local cooperatives also have a profound impact on their respective economies. From housing cooperatives that provide communities with affordable housing or food cooperatives that provide local farmers a marketplace for their produce, cooperatives by nature enable communities to work together to achieve economic success.

WHY (do people choose cooperatives)

They're local...

Whether it's an account at the local credit union in Columbus, power in Peoria or phone service in

Phoenix, there are over 40,000 cooperative outlets across the country, meaning you can shop co-operatively wherever you are, and for whatever you need. Wherever they are, they help the local community—employing local people, using local suppliers and reinvesting time and money back into their communities. In fact, for every \$1 spent in a cooperative, an additional 40 cents is generated for the local economy.

They think differently...

Cooperatives look like every other business, but they do things differently. They are owned and run by their members—whether they are the customers or employees—who have an equal say. Best of all, when they make a profit, they share it with their members and the local community, keeping the financial benefit local.

Co-ops are growing more and more popular. One in three adults in the U.S. is a member-owner—that's more than 100 million people who believe in the benefits of the co-op business model.

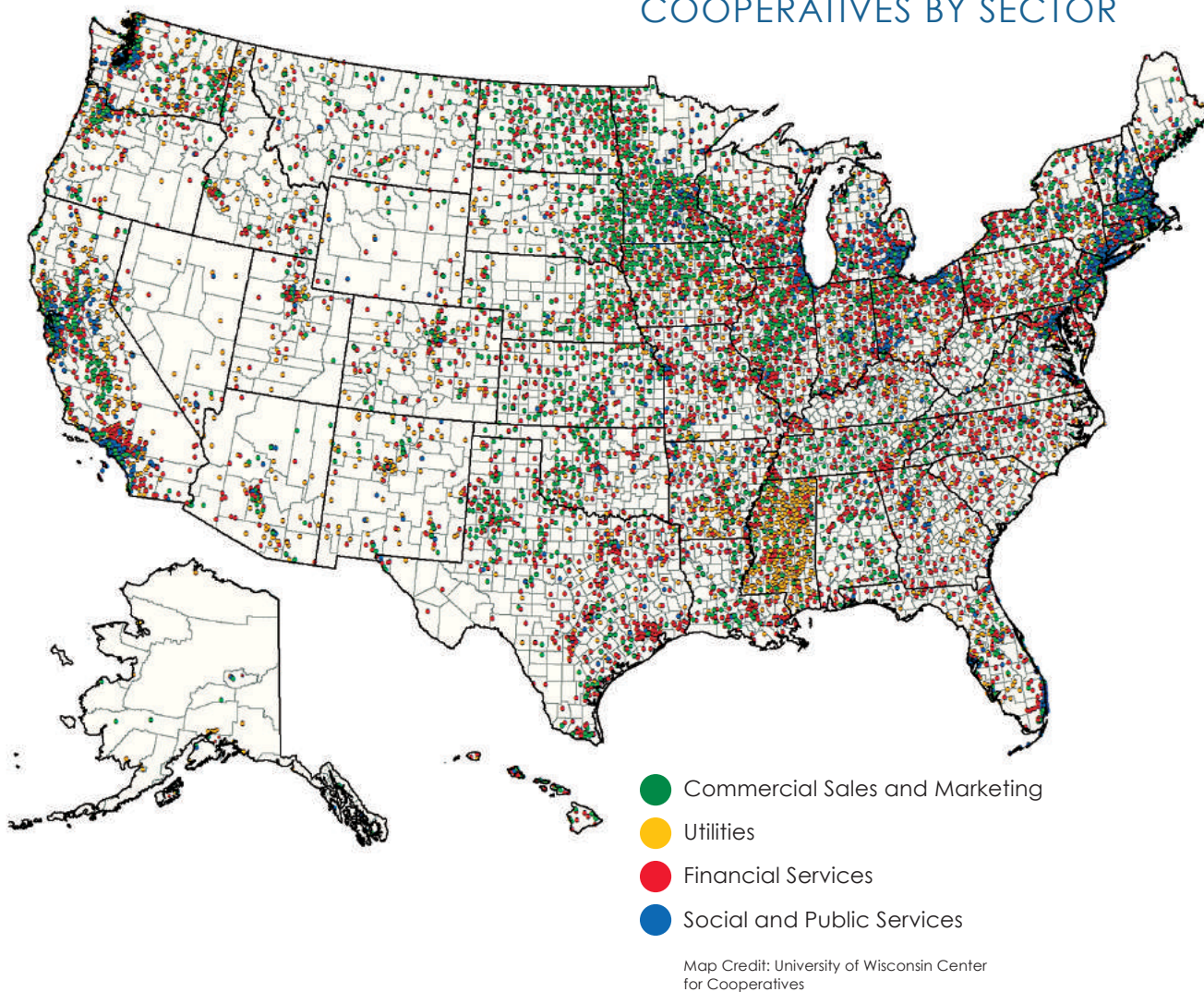
They're trustworthy...

As the economy experiences ups and downs, people have been turning to businesses they can trust. Cooperatives focus more on "why" they do what they do. It's this dedication to their members and communities, through ethical and principled practices, that draws a strong commitment from individuals to the cooperative way of doing business. From energy to food, cooperatives are thriving. The cooperative sector as a whole has grown by 20% since 2008.

WHERE (are cooperatives found)

The cooperative business model can be applied to nearly every form of business. Currently co-ops can be found in every state and every congressional district.

DISTRIBUTION OF COOPERATIVES BY SECTOR



With your support, cooperatives can create new opportunities to provide a better future for individuals and communities. Through policy and practice, cooperatives can empower individuals to take ownership of their livelihoods and help create opportunities in rural and urban communities.

Today, consider partnering with co-ops, sharing in the success of their impact and joining the 100+ million voices that trust, believe and benefit from the co-op business model.

Visit us at www.NCBA.coop for more information on how cooperatives businesses build a better world.

KEY INITIATIVES

The federal government should ensure that cooperatives are able to utilize federal programs and support them in the budget. For example, through groups like the Interagency Working Group on Cooperative Development and the Congressional Cooperative Business Caucus, cooperatives could be looked at to improve the availability and lower the cost of needs in housing, quality early learning and care for seniors. The following are existing initiatives the Administration can support with the cooperative community:

■ Tax Reform

Sustaining federal tax policy that enables cooperatives to grow and provide for the communities in which they operate.

■ Worker Ownership/Inclusive Capitalism

Supporting the transition of ownership of businesses to workers. As our workforce ages, many small businesses don't have succession plans to keep businesses operating within their communities.

■ Cooperative Technical Assistance

Providing resources for cooperative technical assistance. The cooperative business model has complexities in its organization, accounting and taxation, and growing a larger network of technical assistance experts could help more cooperatives thrive. The USDA's Rural Cooperative Development Grant (RCDG) program is one such program that has been committed to this work.

■ Small Business Lending:

Finalizing regulations to ensure cooperatives are eligible for Small Business Administration Programs. Not all cooperatives are viewed

or treated the same in popular small business lending programs and new regulations to change that have been proposed.

■ Cooperatives in the Census

Measuring cooperative impact on the nation's economy needs to again be a part of the Census Bureau's Economic Census.

■ Healthy and Sustainable Food Access

Supporting cooperatives as part of local food supply chains. Many communities—both rural and urban—struggle to provide quality, nutritious and fresh foods. Cooperatives can create the supply chain linkages necessary to meet this need.

■ Cooperatives in International Development

Supporting co-ops in international development. Cooperatives are key stakeholders and part of the comprehensive strategy under the recently passed Global Food Security Act. Cooperatives stand ready to support self-determination initiatives in development across the globe to better enable individuals to provide for themselves and their communities.



NCBA CLUSA is the association for cooperative businesses in the U.S. and an international development organization active in four continents. For over 100 years, NCBA CLUSA's mission has remained consistent: to advance, promote and defend cooperative enterprise, highlighting the impact that cooperatives have in bettering the lives of individuals, families and communities.

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