WHAT ARE COOPERATIVES?

Cooperatives are user-owned, democratically controlled businesses such as farmer-owned co-ops, credit unions and rural electric cooperatives. Unlike other forms of businesses that are owned by investors, all of co-ops’ income in excess of expenses and reserves are distributed to the members based on how much the member uses the business. Cooperatives are formed for many reasons such as to address market failure, community need, or to create competition. Regardless of the reason, the very structure of a cooperative requires it to be responsive to its member-owners and in turn to the local community.

OUR ASK

The 116th Congress has an opportunity to help people capture economic opportunities through the cooperative business model – a model where people own, control and benefit from the businesses they use. NCBA CLUSA looks forward to working with Congress and the Administration so that more people have access to the critical financing and technical assistance needed for people to establish and grow these member-owned businesses. By working with the bipartisan Cooperative Business Caucus, we encourage members to champion legislation and policy that supports cooperatives. And through the Interagency Working Group on Cooperative Development, we work directly with federal agencies on issues important to members of cooperatives.

Creating economic opportunity for Americans and people around the world

The National Cooperative Business Association (NCBA CLUSA) is the primary voice in the United States for people who use cooperatives to capture economic opportunities. As a trusted, proven way to do business and build communities, cooperatives play a vital role in creating economic opportunities that empower Americans and people around the world to improve their lives and the lives of future generations. On behalf of our members, NCBA CLUSA speaks with a united voice before elected officials, advocating for federal policies that enable people to use cooperative enterprise.

NCBA CLUSA

1775 Eye Street, NW
8th Floor
Washington, DC 20006
advocacy@ncba.coop
202-638-6222
ncba.coop
MEASURING CO-OP IMPACT

1 IN 3 AMERICANS IS A MEMBER OF A CO-OP

65,000 COOPERATIVE ENTERPRISES OPERATE ACROSS THE U.S.

1 IN 3 AMERICANS IS A MEMBER OF A CO-OP

CO-OPS GENERATE $75 BILLION IN ANNUAL WAGES AND $650 BILLION IN REVENUE

110 MILLION AMERICANS BELONG TO A CREDIT UNION

2 MILLION FARMERS BELONG TO AGRICULTURE CO-OPS

FARMER CO-OPS PRODUCE 80% OF THE U.S. MILK SUPPLY

WORKER CO-OP TRANSITIONS COULD PRESERVE 2.3 MILLION AT-RISK LOCAL BUSINESSES NATIONWIDE

42 MILLION AMERICANS RELY ON ELECTRICITY FROM ELECTRIC CO-OPS
Cooperatives & Small Business Job Creation

Main Street Employee Ownership Act

Small businesses are at the heart of vibrant, healthy communities, and worker co-op conversions are an emerging strategy to strengthen and preserve those businesses nationwide. As a generation of baby boomer small business owners nears retirement, half of the nation’s privately-held businesses are at risk of buyout or closure. By increasing access to SBA financing and technical assistance in the 115th Congress, the Main Street Employee Ownership Act creates viable retirement opportunities for entrepreneurs that keep small businesses intact, creates new small business owners, and retains jobs in the local community.

Our Ask: Ensure SBA finalizes common-sense regulations to ensure co-ops have access to SBA lending programs.

Fair Tax Treatment

Current federal cooperative tax policy reflects the fact that co-ops are businesses designed to create savings or increase the income of their members – the people who use the business, own the business, and control the business. This policy has resulted in putting more dollars in the pockets of working families and helping small businesses and farmers compete. If co-ops are harmed in tax legislation, working families, small businesses and farmers suffer.

Our Ask: Ensure that cooperative businesses are treated fairly and not put at a disadvantage relative to other business forms in tax legislation.

Rural Economic Growth & Job Creation

Rural Cooperative Development Grant (RCDG) Program

The only federal program dedicated to advancing cooperative businesses, the Rural Cooperative Development Grant (RCDG) program helps create and sustain vibrant rural communities across the U.S. Administered by USDA Rural Business–Cooperative Services, the program funds the startup and expansion of co-ops across rural America. With new authorities in RCDG to analyze new Census data, and the opportunities afforded by the Main Street Employee Ownership Act, now is the time to increase investment in this critical program.

Our Ask: Fund the RCDG Program at no less than $27.5 million, where no less than $10 million is available for grants to cooperative development centers.

Building a Resilient Future

USAID Title III, USDA Title V

Cooperatives are key stakeholders under the Global Food Security Act. Around the world, NCBA CLUSA works to build resilient communities, create economic opportunities and strengthen cooperatives. Through USAID Title III programs like Feed the Future, Farmer-to-Farmer and the Cooperative Development Program, along with USDA Title V programs like Food for Progress and Food for Peace, cooperatives are supporting self-determination initiatives worldwide, enabling people to better provide for themselves, their families and their communities.

Our Ask: Maintain or increase funding streams for international development and U.S. spending on development priorities, including $17 million for the Cooperative Development Program that allows USAID to support private sector engagement that responds to the needs of local communities.
Cooperatives around the world operate according to the same core principles and values.

**Cooperative Principles**

**Voluntary and Open Membership**
Anyone can join a co-op—they don’t discriminate based on gender, social, racial, political or religious factors.

**Democratic Member Control**
Members control their business by deciding how it’s run and who leads it.

**Members’ Economic Participation**
All co-op members invest in their cooperative. This means people, not shareholders, benefit from a co-op’s profits.

**Autonomy and Independence**
When making business deals or raising money, co-ops never compromise their autonomy or democratic member control.

**Education, Training and Information**
Co-ops provide education, training and information so their members can contribute effectively to the success of their co-op.

**Cooperation Among Cooperatives**
Co-ops believe working together is the best strategy to empower their members and build a stronger co-op economy.

**Concern for Community**
Co-ops are community-minded. They contribute to the sustainable development of their communities by sourcing and investing locally.