



# Cooperating for a Better Tomorrow

## A Policymakers' Guide: Promoting Access, Agility and Affordability in Today's Economy through Cooperatives



The National Cooperative Business Association (NCBA) is the apex association for cooperative businesses across all sectors of our economy. NCBA works to ensure more people can use cooperatives to build a stronger economy.

The United States has nearly 65,000 cooperative establishments owned by more than 150 million members. One in three Americans is a member of a cooperative in many different economic sectors including agriculture, electricity, housing, finance (including credit unions), worker-owned entities, information technology and the care economy.

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### PEOPLE LOOK TO COOPERATIVES FOR THREE PRIMARY REASONS

- 1** To address market failures where neither the existing private sector nor the government has an answer;
- 2** To help small players compete with larger businesses; and
- 3** To give consumers a deliberate choice of enterprise to better meet their common needs and aspirations.

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As democratically owned and governed businesses, the member-owners of cooperatives prioritize business decisions that serve the members and their communities. Compared to other business models, cooperatives across sectors:

- Have **greater business survival** rates
- **Reinvest back into the local economy** at higher rates
- Create and maintain more and **higher quality local jobs**
- **Source** more goods and services locally
- Are more **responsive to community** needs
- Feature **higher worker productivity** and **lower workforce turnover**
- Empower member-owners to be **more civically engaged**

### Our Ask

Our elected and public officials have an opportunity to help people capture economic opportunities and promote entrepreneurship through the cooperative business model—a model in which people own, control and benefit from the businesses they use. NCBA will work with the 119th Congress and the Administration to promote cooperative development. Below are several ways policymakers can support and develop cooperatives in their districts:

- Join the [bipartisan Congressional Cooperative Business Caucus](#)
- Invest in key federal cooperative programs to strengthen local economies
- Improve access to capital and technical assistance for cooperative businesses
- Ensure that cooperatives are eligible and preferred to participate in existing federal programs
- Engage with the Interagency Working Group on Cooperative Development, chaired by the U.S. Department of Agriculture, to increase efficiency

# Measuring Co-op Impact



**65,000**

cooperative enterprises operate across the U.S.

**2.9 million**

small businesses could be preserved by transitioning to worker ownership.



**1 in 3 Americans**

is a member of a co-op

**42 million**

Americans are user-owners of electric co-ops



Co-ops provide

**1 million**

units of housing, a quarter of which are limited-equity or permanently affordable.

The majority of America's

**2 million**

farmers and ranchers belong to 1 or more co-ops



Worker-owned cooperatives have a

**1.44:1 pay ratio**

**vs. 281:1**

at a typical U.S. corporation



**144 million**

Americans belong to a credit union

## THE ABCs OF COOPERATIVE IMPACT

| COOPERATIVES IMPACT LOCAL ECONOMIES                   |  |
|---|--|
| <b>Access</b>   | Access ensures broad availability of products and services and affordability to meet universal needs including jobs, food, energy, housing, childcare, homecare, education, financial services, lending opportunities and capacity building in underserved populations.  |
| <b>Business sustainability</b>                        | Increase firm survival and profitability through higher and less volatile revenues, lower costs and a focus on long-term outcomes, including scaling the cooperative model to compete with multinational corporations.   |
| <b>Community commitment</b>                           | Demonstrate commitment to being a good neighbor through education, financial support, facility use and business practices that reflect the values of the community.  |
| <b>Democratic governance and empowerment</b>          | Provide a structure where member-owners can actively participate in and shape the decisions of the organization.   |
| <b>Equal opportunity for all</b>                      | Membership reflects the community's demographics, and all individuals have a voice and leadership opportunities.   |
| <b>Financial security and advancement for workers</b> | Provide higher wages, better benefits and increased opportunity for wealth building, career advancement, training and leadership development with lower turnover and higher job satisfaction.  |
| <b>Growth</b>   | Cooperatives show historic economic growth trends similar to their for-profit counterparts. Economic growth, however, is not their sole impact. Alongside economic benefits, cooperatives grow community capacity and networks by innovating. These innovations include adaptive capacity, new financing models, product diversification, partnerships and advancements in technology. |

# Recommendations at a Glance

## SUPPORTING SMALL BUSINESSES

### Promote and Facilitate Employee Ownership

As a generation of baby boomer small business owners nears retirement, half of the nation's 33 million small businesses are at risk of buyout or closure. These businesses could convert to worker or consumer-owned cooperatives—a model that promotes local ownership and preserves the small businesses at the heart of local economies. The Department of Labor's Employee Ownership (EO) Initiative was established to support the creation and expansion of EO businesses, including worker co-ops, through grants and technical assistance. The Small Business Administration should honor congressional intent by waiving and proposing alternatives to its personal guarantee requirement to ensure co-ops can access financing through the flagship 7(a) program.

## OUR ASK

Congress should fully appropriate the EO initiative in FY27 at \$4,000,000 and pass legislation with a meaningful alternative to SBA's personal guarantee requirement for cooperatives as intended in the 2018 Main Street Employee Ownership Act.



## FARM BILL

### Leverage the Farm Bill Reauthorization to Support Rural Development

As the only federal program dedicated to advancing domestic cooperative businesses, the Rural Cooperative Development Grant (RCDG) program helps create and sustain vibrant rural communities. The Rural Partnership and Prosperity Act would address the longstanding challenges within rural communities and further support local economic development and co-ops. With the upcoming reauthorization of the Farm Bill, there is an opportunity to ensure federal programs meet the needs of rural residents and continue to create jobs, preserve businesses and promote local economic growth.

## OUR ASK

Reauthorize and modernize the RCDG program by including the Strengthening Rural Cooperatives and Communities Act (H.R. 1951/S. 3075) in the next Farm Bill. Create resilient and thriving rural economies by including the Rural Energy Savings Act and legislation modeled on the Rural Partnership and Prosperity Act (H.R. 7444/S.3309) in the next Farm Bill.



## FAIR TAX TREATMENT

### Help Small Businesses and Farmers Compete

Current federal cooperative tax policy reflects the fact that co-ops are designed to capture value for their members—the people who use, own and control these businesses. This policy puts more dollars in the pockets of working families and helps small businesses and farmers compete.

#### OUR ASK

Ensure that cooperative businesses are treated fairly and not put at a disadvantage relative to other business forms in tax legislation and agency implementation of key provisions.



## EXPANDING ACCESS TO HOMEOWNERSHIP

### Increase Affordable Housing through Cooperatives

Housing co-ops are a proven solution for individuals and families to access safe and affordable housing, build wealth and increase agency. They help improve the standard of living in their communities and provide residents with an affordable path to homeownership. Housing cooperatives are a tool for policymakers and advocates seeking both proven strategies as well as new and creative ways to address the housing crisis. Expanded support for housing cooperatives will lead to long-term affordable housing and wealth-building opportunities for residents in communities across the US.

#### OUR ASK

Include housing co-op eligibility in legislation to address the affordable housing crisis, reinvigorate the use of HUD Section 213 for housing cooperatives and appoint a Special Assistant for Cooperatives.



## CREATING A RESILIENT NATION

### Investing in a Resilient & Future-Proof Economy

Across the cooperative ecosystem—from rural electric cooperatives and employee-owned worker cooperatives to Community Development Financial Institutions (CDFIs) and other financial or consumer co-ops, agricultural cooperatives and development organizations—local businesses are creating a positive ripple effect in their communities and beyond. Cooperatives exist across every sector of the economy, contributing significantly to national and local GDP. Measuring and distributing Cooperative Data from the Census Bureau's 2017 and 2022 Economic Censuses would increase the efficiency of federal efforts.



## OUR ASK

Preserve key federal supports, programs and initiatives to foster local economic development.

## BUILDING A BETTER WORLD

### International Cooperative Development

Cooperatives are key stakeholders of the Global Food Security Act. NCBA works globally to build resilient communities, create economic opportunities and strengthen cooperatives. Through agency-administered programs like Feed the Future, Farmer-to-Farmer and the Cooperative Development Program, along with USDA's Food for Peace and Food for Progress, co-ops are empowering people to build shared prosperity and well-being, while improving our national security.



## OUR ASK

Reauthorize global food assistance programs in the Farm Bill, provide no less than \$18.5 million for the Cooperative Development Program and include cooperative development and Farmer-to-Farmer in legislation designed to reform foreign assistance programs.

# Co-op Impact Across Sectors

## CONSUMER

### Overview:

Consumer cooperatives are businesses owned and controlled by the people who purchase their goods or services. These co-ops compete in the marketplace by offering higher quality products at affordable prices. They contribute to a robust local economy by creating stable jobs and supporting regional farmers and producers.

While food co-ops are the most common example, consumer cooperatives operate across many industries including retail and services. REI Co-op, the largest consumer co-op in the U.S., was founded in 1938 when a group of mountain climbers decided to work together to source quality, affordable gear.

### By the numbers:

- REI is the largest U.S. consumer-owned retail co-op with **25+ million members**.<sup>1</sup>
- In 2024, REI **invested more than \$282 million** back into the co-op community.<sup>2</sup>
- **241 food co-ops in 39 states** with combined annual sales of **\$2.8 billion** serve more than **1.3 million consumer-owners**.<sup>3</sup>
- On average, each food co-op purchases from **175 local farmers and producers**—more than 4 times as many as conventional grocery stores.<sup>4</sup>
- For every dollar spent at a food co-op, **almost twice is invested back** into the local economy.<sup>5</sup>
- Food co-ops create **9.3 jobs for every \$1 million in sales**, compared to 5.8 jobs at traditional grocery stores.<sup>6</sup>



1 REI Co-op Impact Report, "Everybody Outside." <https://www.rei.com/impact>

2 REI Co-op Impact Report, "Everybody Outside." <https://www.rei.com/impact>

3 National Co+op Grocers, "About Us." <https://www.ncg.coop/about-us>

4 National Co+op Grocers, "2024 Food Co-op Impact Report." [https://www.ncg.coop/sites/default/files/documents/NCG\\_Food\\_Co-op\\_Impact\\_Report\\_2024\\_Public.pdf](https://www.ncg.coop/sites/default/files/documents/NCG_Food_Co-op_Impact_Report_2024_Public.pdf)

5 National Co+op Grocers, "Healthy Foods, Healthy Communities: Measuring the Social and Economic Impact of Food Co-ops." [https://www.grocery.coop/wp-content/uploads/2012/08/Healthy\\_Foods\\_Healthy\\_Communities\\_6.pdf](https://www.grocery.coop/wp-content/uploads/2012/08/Healthy_Foods_Healthy_Communities_6.pdf)

6 National Co+op Grocers, "Healthy Foods, Healthy Communities: Measuring the Social and Economic Impact of Food Co-ops." [https://www.grocery.coop/wp-content/uploads/2012/08/Healthy\\_Foods\\_Healthy\\_Communities\\_6.pdf](https://www.grocery.coop/wp-content/uploads/2012/08/Healthy_Foods_Healthy_Communities_6.pdf)

## CREDIT UNIONS

### Overview:

As not-for-profit financial institutions, credit unions put people first. From fair loans to first homes, these cooperatives offer a path to financial security and independence. That's why more than 144 million Americans choose credit unions as their trusted financial partners.

In times of economic uncertainty, credit unions stand out as strong and stable financial institutions. Unlike traditional banks, credit unions prioritize member needs over shareholder profits, ensuring their members are equipped to navigate tough times. During the federal government shutdown in 2025, for example, credit unions provided \$208+ million in financial relief to members in the DMV area.<sup>27</sup>

### By the numbers:

- **43% of all Americans** (144 million people) belong to a credit union.<sup>28</sup>
- Credit unions provide **\$40+ billion** annually in total consumer benefits, including **higher savings yields, lower interest rates on loans and fewer fees.**<sup>29</sup>
- America's **4,617 credit unions** provide **1.3 million jobs** nationwide.<sup>30</sup>
- **91% of credit union members trust their credit union** vs. 84% of bank customers.<sup>31</sup>
- 52% of credit union CEOs are women, **10 times higher** than the rate of female CEOs at banks.<sup>32</sup>

In 2024, **small business lending grew to \$177 billion**, making it the fastest-growing loan category on the credit union balance sheet.<sup>33</sup>



27 MDIDC Credit Union Association, Press Release: <https://www.mddccua.org/2025/11/credit-unions-provide-over-208-million-in-financial-relief-during-government-shutdown/>

28 America's Credit Unions, "Don't Tax My Credit Union." <https://www.donttaxmycreditunion.org/>

29 America's Credit Unions, "Don't Tax My Credit Union." <https://www.donttaxmycreditunion.org/>

30 America's Credit Unions, "Don't Tax My Credit Union." <https://www.donttaxmycreditunion.org/>

31 America's Credit Unions, "Don't Tax My Credit Union." <https://www.donttaxmycreditunion.org/>

32 America's Credit Unions, "Women in Credit Union Leadership Issues Brief."

33 America's Credit Unions, "Credit unions step up for small businesses."

<https://www.americascreditunions.org/blogs/americas-credit-unions/capital-first-name-basis-credit-unions-step-small-businesses>

## ELECTRIC AND UTILITIES

### Overview:

Electric, water and telecom cooperative utilities are owned and controlled by the people who use their services. By reinvesting profits into infrastructure and innovation, utility co-ops can provide reliable, affordable services.

Rural electric cooperatives are engines of economic growth, investing in areas historically not served by private corporations. From bringing broadband to rural America to turning the lights on in remote Navajo communities for the first time, electric co-ops close access and affordability gaps to universal needs.

### By the numbers:

- Electric co-ops power **56% of the American landscape.**<sup>7</sup>
- Close to 900 electric co-ops serve **42 million Americans**, including **92% of persistent poverty counties.**<sup>8</sup>
- Electric co-ops power more than **22 million businesses, homes, schools and farms** in **48 states.**<sup>9</sup>
- Electric co-ops support **623,000 jobs** and contribute **\$111 billion** to U.S. GDP annually.<sup>10</sup>
- About 260 telephone co-ops in the U.S. serve more than **1 million people across 31 states** with \$3.9 billion in total revenue.<sup>11</sup>



7 America's Electric Cooperatives, "Electric Co-op Facts & Figures." [https://www.electric.coop/wp-content/uploads/2025/06/2025\\_NCS6127\\_Coop\\_FactsAndFigures\\_6.24.25.pdf](https://www.electric.coop/wp-content/uploads/2025/06/2025_NCS6127_Coop_FactsAndFigures_6.24.25.pdf)

8 America's Electric Cooperatives, "Electric Co-op Facts & Figures." [https://www.electric.coop/wp-content/uploads/2025/06/2025\\_NCS6127\\_Coop\\_FactsAndFigures\\_6.24.25.pdf](https://www.electric.coop/wp-content/uploads/2025/06/2025_NCS6127_Coop_FactsAndFigures_6.24.25.pdf)

9 America's Electric Cooperatives, "Electric Co-op Facts & Figures." [https://www.electric.coop/wp-content/uploads/2025/06/2025\\_NCS6127\\_Coop\\_FactsAndFigures\\_6.24.25.pdf](https://www.electric.coop/wp-content/uploads/2025/06/2025_NCS6127_Coop_FactsAndFigures_6.24.25.pdf)

10 America's Electric Cooperatives, Press Release: <https://www.electric.coop/electric-co-ops-support-nearly-623000-jobs-contribute-111-billion-to-u-s-gdp-annually-report-finds>

11 University of Wisconsin Center for Cooperatives, "Rural Telephone Cooperatives." <https://reic.uwcc.wisc.edu/telephone/>

## FARMER AND INDEPENDENT SMALL BUSINESSES

### Overview:

Cooperatives allow family farms and small businesses to share risks, pool resources and compete in global markets. Farmer-owned co-ops help members market and process their crops and livestock, access farm supplies and provide credit. The cooperative model empowers small business co-ops with the tools and infrastructure typically reserved for large corporations, while preserving local ownership and autonomy. For example, while Ace Hardware stores are independently owned, they collectively benefit from shared services, centralized purchasing and national brand recognition.

As businesses owned and controlled by community members, not distant investors, farmer and small business co-ops are uniquely suited to spur local economic development.

### By the numbers:

- The majority of America's **2 million farmers and ranchers** are members of more than **1,600 ag and retail purchasing cooperatives.**<sup>12</sup>
- Farm co-ops generate **\$301 billion in total sales** each year.<sup>13</sup>
- By providing over **200,000 jobs** with a total **payroll exceeding \$12 billion**, farmer co-ops contribute significantly to the economic well-being of rural America.<sup>14</sup>
- Dairy co-ops produce, process and/or market **87% of all milk** sold in the U.S.<sup>15</sup>
- By joining a purchasing cooperative, small independent businesses can save **10-30% on bulk purchases.**<sup>16</sup>



12 National Council of Farmer Cooperatives, "Our Members." <https://ncfc.org/about/>

13 National Council of Farmer Cooperatives, "Our Members." <https://ncfc.org/about/>

14 National Council of Farmer Cooperatives, "Our Members." <https://ncfc.org/about/>

15 USDA Rural Development, "Agricultural Cooperative Statistics." <https://www.rd.usda.gov/sites/default/files/SR87-AgriculturalCooperativeStatistics-2023-UnpublishedReport.pdf>

16 Euqualis Group, "Cooperative Purchasing FAQs." <https://equalisgroup.org/cooperative-purchasing-faqs/>

## HOUSING

### Overview:

Housing cooperatives expand home ownership opportunities for low and moderate-income households and prevent displacement in rapidly gentrifying communities. One model, shared equity housing, is a cost-effective path to permanently affordable housing.

Shared equity housing includes limited equity cooperatives (LECs), resident-owned communities (ROCs) and community land trusts (CLTs). These models keep homeownership accessible for successive generations and build community wealth.

### By the numbers:

- Housing co-ops provide housing for more than **1 million families**, including **250,000 units of permanently affordable housing**.<sup>17</sup>
- ROC USA® and its affiliates have supported the purchase of **356 manufactured housing communities**, preserving **24,349 homes**.<sup>18</sup>
- Co-op City in the Bronx houses **50,000 people in 35 buildings**, as the world's largest affordable housing co-op.<sup>19</sup>
- Active participation in co-op governance leads to broader civic engagement. **70% of Co-op City residents completed the 2020 census**, compared to 49% of New Yorkers.<sup>20</sup>



17 Urban Homesteading Assistance Board, "Mapping Permanently Affordable Homeownership." <https://www.uhab.org/national/>

18 ROC USA®, "Our Impact Nationally." <https://rocsa.org/our-impact/>

19 Co-op City, "Cooperative Living and Affordability." <https://www.coopcity.com/>

20 The City, "Co-op City Succeeds With Census While Much of NYC Struggles. What's Its Secret?"

<https://www.thecity.nyc/2020/05/19/co-op-city-succeeds-with-census-while-much-of-nyc-struggles-what-s-its-secret/>

## WORKER

### Overview:

As the fastest-growing sector of the U.S. cooperative economy, the number of worker co-ops has tripled in the past decade, with half launching in just the past five years.

At their core, worker co-ops provide good, dignified jobs rooted in community needs, from affordable childcare to ethical, U.S.-based manufacturing. Worker co-op conversions—when a retiring small business owner sells their company to its employees—help preserve local businesses and create lasting community wealth.

### By the numbers:

- 1,300 worker co-ops generated **\$806 million in revenue in 2024.**<sup>21</sup>
- With a **pay ratio of 1.44:1 compared to 281:1**, worker co-ops deliver fairer workplaces than the corporate norm.<sup>22</sup>
- While typically comprised of 5-10 members, some worker co-ops are much larger: Bronx-based Cooperative Home Care Associates started with 12 home health aides and now employees close to **2,000 direct care workers.**<sup>23</sup>
- More than 100 studies link employee ownership to **better productivity, pay, job stability and firm survival.**<sup>24</sup>
- Profit margins at employee-owned companies are **8.5% higher than their competitors.**<sup>25</sup>
- Worker co-op conversions could preserve **2.9 million small businesses** with retiring owners and their **32 million employees.**<sup>26</sup>



21 U.S. Federation of Worker Cooperatives, "2024 Impact Report: 20 Year of Going Farther, Faster, Together." <https://nbcacusa.coop/content/uploads/2025/12/2024-USFWC-Impact-Report-Final.pdf>

22 Democracy at Work Institute, "2025 State of the Sector of Worker Cooperatives & Democratic Workplaces." [https://drive.google.com/file/d/1v3lG7fws\\_kaML6T17LfhUNCw7YEVNQj/view](https://drive.google.com/file/d/1v3lG7fws_kaML6T17LfhUNCw7YEVNQj/view)

23 Cooperative Home Care Associates, "Our Mission." <https://www.chcany.org/about>

24 Project Equity, "The Case for Employee Ownership: Why Philanthropy and Government Should Invest in This Powerful Business Model." <https://project-equity.org/wp-content/uploads/2023/07/Copy-of-The-Case-For-Employee-Ownership-Executive-Summary-2019-Project-Equity-1.pdf>

25 Democracy at Work Institute, "U.S. Worker Cooperatives: A State of the Sector." [https://institute.coop/sites/default/files/resources/State\\_of\\_the\\_sector\\_0.pdf](https://institute.coop/sites/default/files/resources/State_of_the_sector_0.pdf)

26 USDA, "Celebrating National Cooperative Month: The Future is Cooperative." <https://www.usda.gov/about-usda/news/blog/celebrating-national-cooperative-month-future-cooperative>



1775 I Street, NW  
8th Floor  
Washington, DC 20006

[advocacy@ncba.coop](mailto:advocacy@ncba.coop)  
202-638-6222  
[ncbaclusa.coop](http://ncbaclusa.coop)