



Understanding the Economic Impact of Cooperatives

Mapping the Cooperative Landscape

Presented by

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Introduction

- Financial Support – USDA, NCBA, WI DATCP
- Project Leaders – Deller, Hueth, Hoyt, Sundaram-Stukel
- Acknowledgments – Center staff, project supporters

Results are preliminary!

- Sneak preview of results in several key sectors
- Interested in feedback:
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- USDA has not reviewed results

Sectors defined by USDA

- *Sales and marketing*: agriculture, grocery, purchasing, other consumer
- *Social and public service*: housing, health care, childcare, transportation, education
- *Financial services*: credit unions, farm credit, mutual insurance
- *Utilities*: electric, telephone, water and waste, biofuels

Sub-sectors we will discuss today

- Agriculture
- Credit Unions
- Farm Credit
- Rural Electric Utilities

Methodology

- Direct, indirect, and induced (“multiplier”) effects
- Impacts estimated for:
 - Revenue
 - Income = Revenue - Wages - Expenses - Dividend - Taxes
 - Employment

Contribution of this research

- Conduct census and measure economic footprint of the sector
- Initiate efforts to measure “deeper impacts” (discussion papers, Phase II)

Key challenges

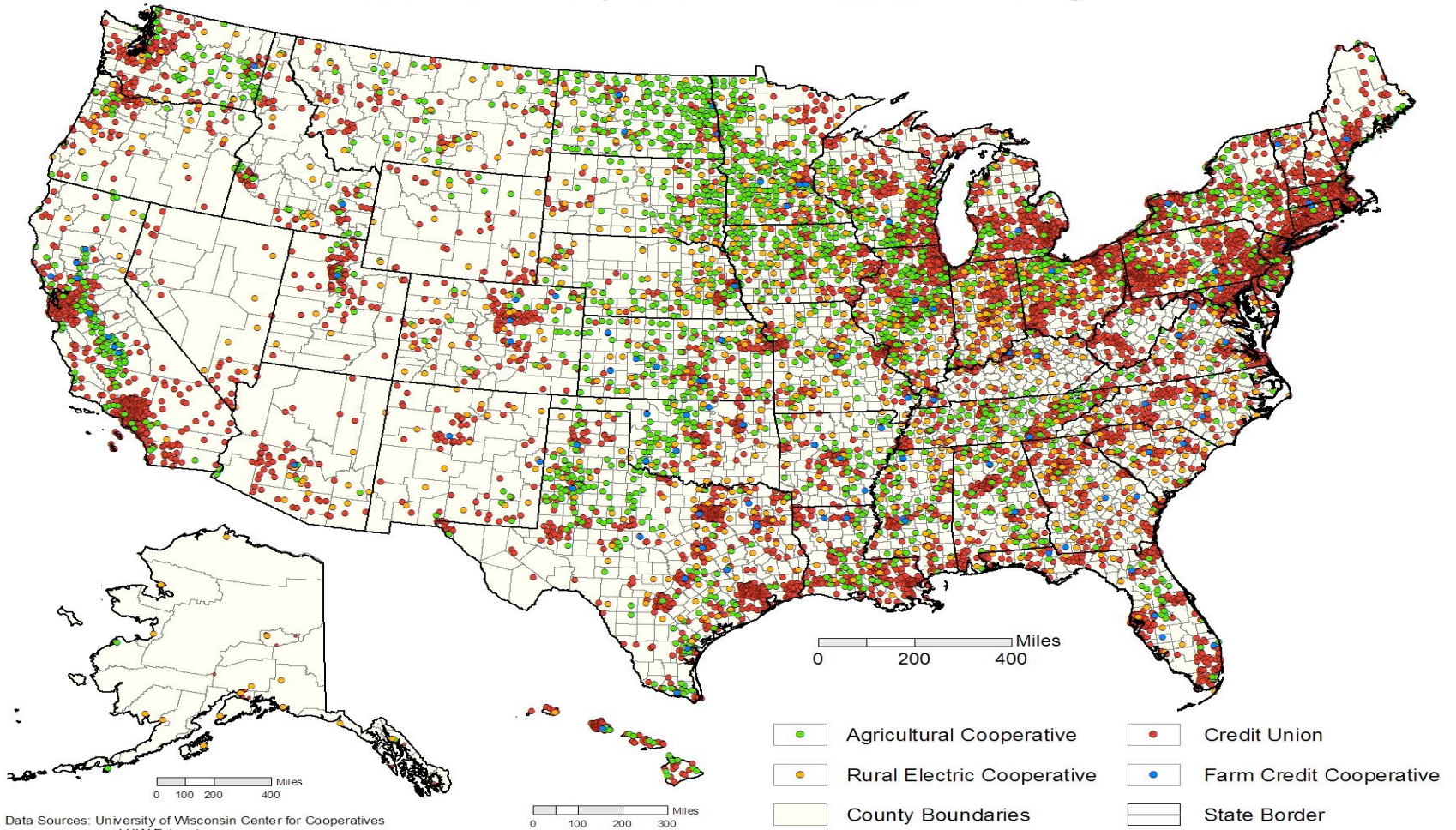
- Defining the sector: What is a “cooperative”?
- Locating, contacting, and surveying sector participants

Results presented today

- Map, summary data, impacts in four sectors
- Overview of work in progress



Distribution of Cooperatives - Combined Categories



Summary Data

Sector	Assets (\$ million)	Revenue (\$ million)	Wages (\$ million)	Members (million)	Employees
Ag. Supply Marketing	44,374	119,039	6,011	2.5	121,183
Credit Unions	760,881	40,088	9,421	88.5	236,459
Farm Credit	186,451	11,884	1,009	.40	11,173*
Rural Electric Utilities	97,189	49,341	2,755	15.8 [†]	66,375*
Total	1,088,895	220,352	19,196	107.2	435,190*

*Underestimates total. [†]Number of meters.

Impacts: Revenue (\$million)

Sector	Direct	Indirect	Induced	Total
Ag. Supply & Marketing	119,039	59,641	187,107	365,787
Credit Unions	40,088	18,808	28,853	87,750
Farm Credit	11,884	1,356	2,081	15,321
Rural Electric Utilities	49,341	11,003	21,637	81,983
Total	220,352	90,808	239,678	550,841



Impacts: Income (\$million)

Sector	Direct	Indirect	Induced	Total
Ag. Supply & Marketing	6,405	1,097	4,467	11,969
Credit Unions	23,961	10,832	15,746	50,539
Farm Credit	2,446	781	1,136	4,363
Rural Electric Utilities	3,225	5,473	11,808	20,507
Total	36,037	18,183	33,157	87,378

Impacts: Employment

Sector	Direct	Indirect	Induced	Total
Ag. Supply & Marketing	174,233	14,341	59,890	248,464
Credit Unions	236,459	137,428	211,104	584,991
Farm Credit	11,173	9,911	15,224	36,308
Rural Electric Utilities	66,375	48,737	158,315	273,427
Total	488,240	210,417	444,533	1,143,190

Summary Impacts

Co-op Type	Firms	Establishments*	Total Impacts*		
			Revenue (\$million)	Income (\$million)	Employment
Sales and Marketing	3,551	8,058	365,787	11,969	248,464
Social and Public Services	10,950	10,950	NA	NA	NA
Financial Services	9,449	21,801	103,071	54,902	621,299*
Utilities	4,582	4,582	81,983	20,507	273,427*
Total	28,532	45,391	550,841	87,378	1,143,190*

* Underestimates total.

What's Next?

- Finalize and publish Phase I results for all sectors and subsectors
- Deeper impacts and capacity building
- Research on the Economic Impact of Cooperatives (REIC), Phase II

Deeper Impacts

- The “Cooperative Difference”
- Example impacts that go beyond economic footprint:
 - Enhance competition
 - Meet unmet needs
 - Improve work productivity

Capacity Building

- Discussion papers
- Cooperative Research Council
- Engage university community at the UW

Phase II

- Update and continue census reporting
- Initiate longitudinal business survey
- Continue work on deeper impacts



Thank You!

For questions or feedback, please contact:

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