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Research on the Economic Impacts of Cooperatives in the U.S.

National Association of Housing Cooperatives

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Project Partners

- Funding from US Department of Agriculture grant, National Cooperative Business Association, WI Department of Agriculture

- Additional support from many partners

Why is this project important?

- Advocacy and learning
- Training new leaders
- Shared knowledge base among cooperatives of all types

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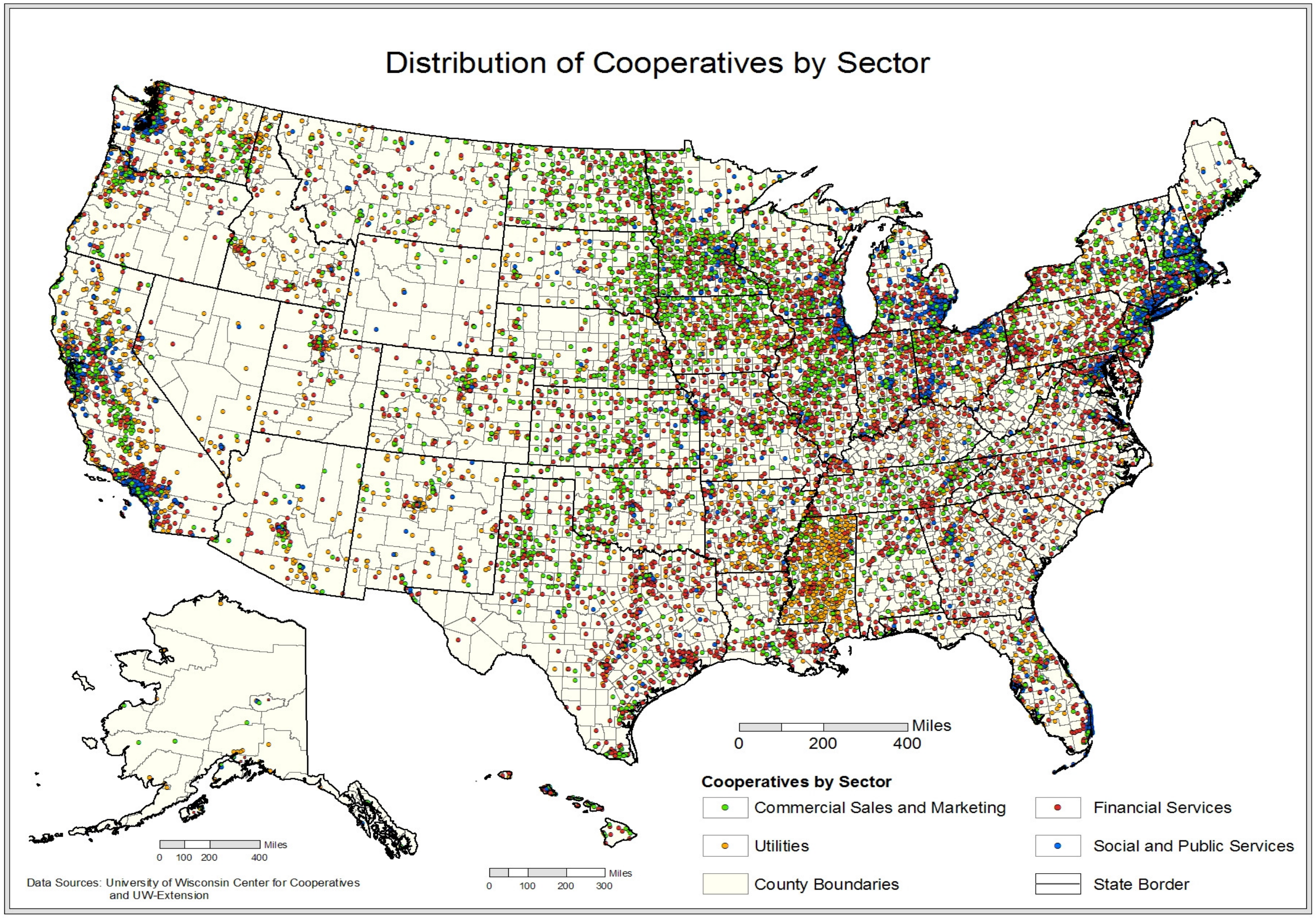

Economic Impact of Cooperatives in the U.S.

Aggregate Impacts by Sector

Sector	Revenue	Income	Wages	Employment	Firms	Estab.
	(million dollars)			(jobs)		
Commercial Sales & Marketing	201,207	37,737	13,810	422,525	3,463	5,695
Social & Public Service	7,525	2,213	1,690	424,505	11,311	11,311
Financial Services	394,363	100,661	51,176	1,133,353	9,964	50,330
Utilities	49,808	13,392	8,292	162,873	4,546	5,657
Total	**652,903**	**154,003**	**74,968**	**2,143,256**	**29,284**	**72,993**

How to measure co-op economic activity

- Conduct a census of U.S. cooperatives
- Survey/gather key business indicators
- Impact analysis

Economic Impact analysis

- **Direct impact** - Revenue, wages, income and employment
- **Indirect impact** – A firm's cost of operations are revenue for other businesses
- **Induced impact** – A firm's profits, plus wages paid to employees, are spent by employees and owners, and are revenue for other businesses.

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Census: What IS a cooperative?

- Who owns, controls and benefits?
- 85% of co-op activity have “co-op” tax/incorporation status

Housing in the REIC report

First, a little history:

- The first cooperative was built in 1876 in NYC
- By 1976, 2.2% of all housing was cooperatively owned
- By 1995, 137,000 cooperatively owned affordable units had been built in 29 states
- Growing popularity of owner occupied multi-family housing:
  - 2005: Condominiums were 5% of all housing
  - 2005: Cooperatives were <1%.

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Challenges in finding the housing cooperatives

- There is no comprehensive national list
- Some lists are confidential
- Governmental lists are fragmented
- Housing cooperatives were difficult to reach through surveys (mail/phone)

What did we do?

- Talked to experts
- Received lists from some organizations
- Used the internet, made phone calls, sent out surveys. Return rate very low.

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Cooperative Total Economic Impacts

	Revenue ($M)	Income($M)	Wages ($M)	Employment (no. of jobs)	Firms
Social and Public Services	7,523	2,213	1,690	424,505	11,311
Healthcare	5,212	1,248	1,019	403,586	305
Childcare	421	238	141	5,925	1,096
Housing	**0**	**0**	**0**	**0**	**9,471**
Transport	567	62	20	768	49
Education	1,323	665	510	14,226	390
Grand totals	**652,902**	**154,002**	**74,969**	**2,143,236**	**29,288**

(including Commercial Sales and Marketing, Financial Services, & Utilities)

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Measuring housing

- Unit estimates were available for some states, but the sources varied widely.
- Data on the number of cooperatives didn’t always include the number of units.
- We ultimately gathered unit estimates from most of the states with high numbers of cooperatives.

Co-ops & unit estimates

State	Co-ops	Units
NY	6,679	510,000
CA	590	62,096
FL	456	79,346
MN	304	7,556
MI	234	17,004

State	Co-ops	Units
DC	184	15,000
IL	177	16,000
NH	89	5,000
CT	67	4,400
IN	48	6,000

States with smaller numbers of cooperatives

States with 20 – 50 housing cooperatives:

- Georgia
- Arizona
- Maryland
- New Jersey
- Ohio
- Texas
- Washington
- Wisconsin

*Note: we don't have estimates on number of units

Measuring the impact of housing cooperatives?

The economic development community has focused on measuring the impact of businesses, not housing.

We considered some options:

- Value of property taxes paid
  - Lack of uniformity of reported property values
- Social value of cooperatives
  - NYC research by Susan Saegert: better building quality, safety
  - Study by University of IL and Chicago Mutual Housing: People in cooperatives don't move as often.
  - Study of senior housing co-ops: residents reported better quality of life, health

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Next steps for the study

- **Cooperative Business Survey**
  - Tracking individual performance over time
- **The census continues**
  - Using Census Bureau data for more comprehensive analysis
- **Foundation for other research**

YOUR IDEAS AND COMMENTS?

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