



Cooperatives Contribute To Economic Growth

(NAPSA)—The American economy is getting a big boost from a surprising source: cooperative businesses.

Cooperatives are democratically owned and controlled businesses that are motivated by service to their member-owners in addition to their bottom lines. They typically incorporate when the marketplace fails to provide a product or service at an affordable price. This is especially true in rural areas, which are often underserved by companies focused solely on profit.

According to a report issued by the National Cooperative Month Planning Committee, co-ops are strong in six key sectors: agriculture, credit unions, farm credit lending, electric utilities, grocery and housing. Together, America's co-ops serve nearly 130 million members or 43 percent of the population.

"This report confirms the considerable economic power of America's cooperative businesses," said Charles E. Snyder, CEO of the National Cooperative Bank and 2005 chair of the Co-op Month Planning Committee. "Cooperatives are an important part of the economy, operating in almost every industry. They range from small storefronts to Fortune 500 companies."

Actual Impact Is Greater

Snyder noted that the actual economic impact of cooperatives is greater than is reflected in the report, since data on some sectors was not obtainable. The report found that cooperatives in the six sectors generated \$211.9 billion in annual revenues. That's nearly two percent of the U.S. economy, as measured by gross domestic product.

Among the report's findings:



Charles E. Snyder, CEO of the National Cooperative Bank.

- Agriculture co-ops have a gross business volume of more than \$111 billion per year and 2.8 million members.
- The Farm Credit System has approximately \$125 billion in assets and \$96 billion in loans outstanding.
- Credit unions have \$668 billion in assets, \$443.5 billion in outstanding loans and more than 86 million members.
- Electric utility co-ops serve 37 million people and their lines cover more than three-quarters of the U.S. land mass.
- Food and grocery co-ops generate \$33 billion in annual revenues while retail food co-ops pay back an estimated \$4 million a year to their members.
- Housing cooperatives have combined budgets in excess of \$11 billion and make an estimated \$1.2 billion in property improvements each year.

The National Cooperative Month Planning Committee report is the start of an effort to develop new estimates of the economic impact of all cooperatives. To learn more, visit www.coopmonth.coop.