



# Consumer Cooperatives: Part of Our American Fabric

Consumer Federation of America



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Consumer cooperatives are businesses which belong to the people who use them. America's first successful co-op was formed by Benjamin Franklin to provide insurance for homes. Today, more than 100 million Americans participate in cooperatives.

Cooperatives are successful because they provide valuable services and save consumers money. Since the primary goal of cooperatives is to meet needs, not generate profits, they can serve their members at low cost.

Cooperatives often provide services to their communities that are not readily available from for-profit businesses. In other cases, cooperatives enhance the level of competition in the marketplace by providing consumers with an alternative source of products and services.

The central principle of consumer cooperatives is member control and participation. These member/owners meet periodically to establish policy and elect directors. Directors, in turn, hire managers to administer the cooperative on a day-to-day basis.

Members control the business and provide capital for a strong and efficient operation. And, members receive all net savings left after money is set aside for operations and improvements.

Consumer cooperatives provide most important products or services a person might need. A sampler includes:



**Credit Unions:** More than 11,000 credit unions supply financial services for over 77 million consumers nationwide.

Using up-to-date technology, they offer a wide range of services at prices that are usually lower than those of for-profit institutions. For example, credit unions usually charge fewer and lower fees, and lower loan rates, than do competitors.

Because credit unions serve the broad middle class, they can meet the needs of an increasing number of underserved communities, including youth, seniors and minorities. As many banks abandon low-income communities, a growing number of credit unions are finding ways to serve low and moderate income households.



## Utility Cooperatives:

Cooperatives provide electricity and telephone services to more than 30 million people.

Cooperatives also offer state of the art television and telecommunications services at competitive prices.



**Electric Cooperatives** were formed by citizens in communities where the investor-owned power companies would not provide

service. Today, these cooperatives continue to find ways to provide better service at competitive prices. And, with increased opportunities for consumers to choose their electric supplier, new energy cooperatives can provide consumers with the means to come together and find options for more competitively priced power for their homes.



## Telephone Cooperatives

provide rural Americans with telecommunications services comparable to those available to

urban residents, and at reasonable cost. Through digital switching and transmission facilities, they offer enhanced services, such as customer calling features, Internet access, and other advanced services. Many cooperatives also provide cable TV, direct broadcast satellite TV, and various forms of wireless communications services.

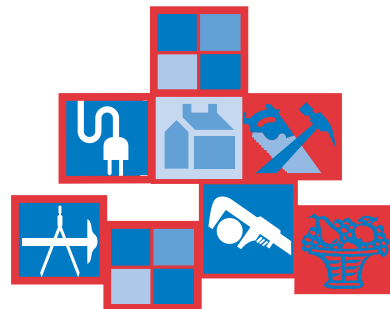


## Housing Cooperatives:

Over one million families are provided with pleasing and affordable places to live through

housing cooperatives. Owned and controlled by residents, cooperative housing often provides significant savings over physically comparable rental or single-family housing.

Because families who own their own homes have a greater stake in their neighborhoods, private economic development organizations and local governments are encouraging the development of housing cooperatives. Housing cooperatives are an effective way to provide home ownership for low-income Americans.





**Food Cooperatives:** Over three million Americans stretch their food dollars through membership in nearly 5,000 food cooperatives.

Food cooperatives have been pioneers in unit pricing, nutritional labeling and the sale of bulk and natural foods.

Price comparison surveys done by CBS This Morning and Mothers and Others for a Liveable Planet have found significant savings through food cooperatives.



**Nursery School and Child Care Cooperatives:** Nursery school and child care cooperatives provide quality care for half a million families. The cooperative structure gives parents a real voice in their child's education.

In cooperative nursery schools and child care centers, parents determine policy, participate as aides in the classroom and serve on committees for such things as raising funds, purchasing supplies and maintaining equipment. This parental involvement cuts expenses so that the savings can be passed on to members.



**Health Care Cooperatives:** Cooperative health maintenance organizations (HMOs) provide comprehensive health care for more than one million Americans coast to coast. Because they have been able to provide high quality care at the lowest cost while satisfying the needs of their customers, these health care providers play an important role in our country's health care system.

Other consumer cooperatives provide services such as mutual insurance, buying clubs, television satellites, and funeral arrangements. Cooperatives on college campuses offer book, food and housing services for student members. Many of these and other cooperatives are locally owned and managed by members in communities across the country.

For more information about co-ops in your community, or for details on how to form a cooperative, call the:  
National Cooperative Business Association at  
1-800-636-6222 or visit [www.cooperative.org](http://www.cooperative.org).

Single copies of this brochure are available by sending a self-addressed stamped envelope to:

**CFA: Co-op**  
PO Box 12099  
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### **Consumer Federation of America**

*The Consumer Federation of America is a non-profit association of some 250 pro-consumer groups. It was founded in 1968 to advance consumer interest through advocacy and education.*

[www.consumerfed.org](http://www.consumerfed.org)