

# Economic Impacts of Cooperative Firms in Wisconsin: Data Collection

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## *Cooperative Census*

To analyze the economic impact of cooperatives on the Wisconsin state economy, cooperatives in the state need to be identified, and basic data on sales, employment, and wages needed to be gathered for the analysis. Because there is no central source for this type of cooperative data however, data collection was a multi-step process.

The Center followed the same methodology for identifying cooperatives in the state that it developed for compiling the Wisconsin Cooperative Directory in 2011. Since incorporation of a business firm is a state-governed function, incorporation records are maintained by WI Department of Financial Institutions (<https://www.wdfi.org/corporations>). From this source, staff obtained the names and addresses of firms with principle offices in Wisconsin that were incorporated under one of two cooperative business statutes in the state, or as a state chartered credit unions.<sup>1</sup> Firms that had since gone out of business, or had an “In Bad Standing” status prior to the last five years, were omitted.

Mutual insurance companies were obtained from the Office of the Commissioner of Insurance. Firms with an ownership type listed as “mutual, with principal offices located in Wisconsin, were selected. <http://oci.wi.gov/> Farm credit firms with headquarters in Wisconsin were taken from the US Farm Credit Administration. <http://www.fca.gov/apps/instit.nsf/Active%20Institutions%20Page?OpenPage>

The cooperative names obtained totaled 863. Because there was no known, readily accessible source for cooperative firms incorporated under another state’s law but operating in Wisconsin, they were not included in this list. However, several exceptions were made to supplement data in the agricultural sector after the survey data was gathered, given the role of cooperatives in that sector, and in the Wisconsin state economy (see below).

This group of cooperative firms by definition also did not include entities that operate on a cooperative basis, but are incorporated under a different type of organizational statute. (See a discussion on this topic in the Report on the Economic Impact of Cooperatives <http://reic.uwcc.wisc.edu/issues/>.)

## *Survey Instrument*

A survey instrument was developed to gather data required for a basic economic impact analysis using the IMPLAN model for Wisconsin: sales, wages and salaries, and number of jobs. Because some firms conducted business across state lines, the survey also instructed respondents to provide the percentage of wages and salaries, and sales transactions, occurring in Wisconsin.

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<sup>1</sup> Cooperatives can incorporate under state statutes Chapter 185 and 193; credit unions can be state chartered under Chapter 186.

So that results could be analyzed by member-owner type and economic sector, the survey gathered data on these characteristics, as well membership numbers.

The survey was tested on over 50 cooperatives that were chosen from the list of cooperatives at random and then adjusted to assure that a variety of sectors were represented. Each survey was mailed to the cooperative with a cover letter. Each survey was personalized with the cooperative firm's name and address, and a unique survey ID which linked to an online personalized version of the survey. (See pages 3-5 for sample letter and survey.)

The surveys were personalized to help maintain naming consistency and future data matching issues (e.g. Cooperative v. Co-op). The unique survey ID was assigned so that the respondent could choose to respond online or by mail, which perhaps could boost response rate.

The surveys were mailed on May 23<sup>rd</sup>, 2012. A portion of non-respondents for whom email addresses could be located were sent a follow-up email on August 28. The email contained the personalized survey ID linking to an online personalized version of the survey.

The initial response rate to the pilot survey was 40%. Based on the results, several of the questions on the survey instrument were modified for clarity before mailing out to the full list of cooperatives in Wisconsin.

#### *Survey Rollout*

The personalized survey and cover letter were mailed out to the remaining Wisconsin cooperative firms on September 19. The list was further refined, omitting additional cooperatives that had gone out of business, had merged, or had incorrect address information. Non-respondents for whom email addresses could be found were sent a follow-up email with the personalized survey ID linking to an online personalized version of the survey. These emails were sent out several times beginning in mid-November. The online survey was closed on January 24, 2013.

#### *Survey Response*

A total of 863 surveys were distributed, with an initial unadjusted response rate of 32%. This list was subsequently refined to omit demutualized or co-ops in bad standing in 2007 or prior, however, which identified 794 active co-ops. Supplemental data from Hoovers business data, Cooperative Network, the Office of the Commissioner of Insurance, online annual reports and the [National Credit Union Administration](#) were used to supplement the survey data set. While not all supplemental sources provided all the data requested in the survey, some data for 453 co-ops were obtained, or 57% of the active 794 co-ops identified.

#### *IMPLAN Data Set*

The survey response data set was further refined before it was used for the IMPLAN analysis. Categories were adjusted so that there would be an aggregated data set that could provide a more meaningful response, and duplicate reporting among associated cooperatives were eliminated. A total of 773 records were used for the analysis; 573, or 74%, included survey or appended data. Within categories, results were extrapolated to the non-respondents to provide the final results.



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Friday May 16, 2012

Dear Cooperative Leader,

As a member or employee of a Wisconsin cooperative, you participate in a unique part of our state's economy. Cooperatives are owned and operated to meet the needs of their member-owners, and can have significant impacts on state and local economies. These impacts are difficult to describe without current data on cooperative economic activity.

To enable reporting on cooperative economic impact, the University of Wisconsin Center for Cooperatives is conducting a survey of all firms incorporated as cooperatives in the state. We hope that you will take a few minutes to fill out the brief survey that is enclosed. You can also complete the survey online using the link provided on the survey.

Of course, all financial data that you provide about your cooperative will remain absolutely confidential. Data will be aggregated for reporting, and will not be identifiable by firm. We hope to have the report completed and published by the end of the summer, and will send you a copy.

The United Nations declared this year the International Year of Cooperatives, and our state has long been a national leader in the development and support of the cooperative business structure. This report will help mark the event by describing how cooperatives contribute to the economic well-being of Wisconsin.

Thank you for your participation. If you have any questions about the survey or the project, please don't hesitate to contact me.

With best regards,

Brent Hueth

# Economic Impact of Wisconsin Cooperative Businesses

## Conducted by the UW Center for Cooperatives

Please correct any inaccurate information. You may also go to <http://data.uwcc.wisc.edu/WISurvey2012> to fill in this form online. Use the Survey ID at the bottom right of this page.

<b>Name of Cooperative:</b> Dodge County Dairy Testing Association (Cooperative)		
<b>Headquarters Address:</b> Po Box 122 244 S Fairfield Ave	<b>City:</b> Juneau	<b>Zip:</b> 53039-0122
<b>Phone:</b>	<b>Website:</b>	

All answers will be kept strictly confidential.

Please use data from your most recently reported fiscal year to complete this survey.

**Enter the dates of fiscal year being used**.....

/	/
fiscal start (mm/yy) – fiscal end (mm/yy)	

**Membership:** Enter the total number of your co-op's members.....

(Note: A business, cooperative, or other organizational entity counts as one member.)

**Employment:** Enter the number of full-time employees.....

Enter the total number of part-time employees.....

  


**Revenue:** Provide the total dollar value of sales from your most recently reported fiscal year. Include revenue from all business activities, whether or not payment was received.....

Enter percentage (%) of these sales transacted in WI.....

**Wages and Salaries:** Provide total wages and salaries paid to full-time and part-time employees.....

Enter percentage (%) of these wages and salaries paid to WI employees.....

**Assets:** Provide the total dollar value of assets from your most recently reported fiscal year .....

continued on reverse

Survey ID: 3Psy

Answer the following questions about your cooperative's economic sector and membership.

<b>Please specify the economic sector(s) in which your cooperative conducts business:</b> (check all that apply)		
<input type="checkbox"/> Agricultural Marketing/Processing (except Dairy)	<input type="checkbox"/> Farm Credit	<input type="checkbox"/> Manufacturing
<input type="checkbox"/> Agricultural Services	<input type="checkbox"/> Forestry	<input type="checkbox"/> Mutual Insurance
<input type="checkbox"/> Agricultural Supply	<input type="checkbox"/> Grocery	<input type="checkbox"/> Telephone/Communications
<input type="checkbox"/> Biofuels	<input type="checkbox"/> Healthcare	<input type="checkbox"/> Transportation
<input type="checkbox"/> Credit Union	<input type="checkbox"/> Housing	<input type="checkbox"/> Utility Distribution
<input type="checkbox"/> Dairy Marketing/Processing	<input type="checkbox"/> Land Co-op	<input type="checkbox"/> Utility Generation
<input type="checkbox"/> Daycare/Eldercare	<input type="checkbox"/> Other (please specify) _____	<input type="checkbox"/> Wholesale/Retail (except Grocery)
<b>Who are your member-owners?</b> (check all that apply)		
<input type="checkbox"/> Non-cooperative businesses	<input type="checkbox"/> Non-farm individuals	<input type="checkbox"/> Cooperative businesses
<input type="checkbox"/> Other (please specify) _____		<input type="checkbox"/> Farmers or farm operations
		<input type="checkbox"/> Workers/employees
<b>If not a worker cooperative, do your member-owners primarily use your co-op's goods and services:</b> (choose one)		
<input type="checkbox"/> For personal use?	<input type="checkbox"/> To support their business activities?	
<b>If not a worker cooperative, does your cooperative:</b> (check all that apply)		
<input type="checkbox"/> Buy goods or services for (and then sell to) your members?	<input type="checkbox"/> Sell goods or services for (or on behalf of) your members?	<input type="checkbox"/> Provide housing services to your members?
<input type="checkbox"/> Provide financial services to your members?	<input type="checkbox"/> Other (please specify) _____	<input type="checkbox"/> Process or manufacture for your members?

Please provide your name and contact information in case we need to contact you with follow-up questions or to clarify an answer. Feel free to share any comments you have about the survey or additional information. Thank you.

<b>Name:</b>	<b>Email:</b>	<b>Phone:</b>
<b>Comments:</b>		

If you have any further comments or questions please contact Michael Chronister at (608) 262-3382 or mjchroni@wisc.edu

Survey ID: 3Psy