Center for Cooperatives
DIVISION OF EXTENSION
UNIVERSITY OF WISCONSIN–MADISON

2024

FINDINGS FROM THE COOPERATIVE GOVERNANCE RESEARCH INITIATIVE

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Finally, we thank our University of Wisconsin Center for Cooperatives team members for making reminder phone calls to encourage survey completion.

EXECUTIVE SUMMARY

The Cooperative Governance Research Initiative (CGRI), led by the University of Wisconsin Center for Cooperatives, is a multi-year effort to collect and analyze governance data from cooperatives across the United States. The 2024 CGRI survey, the second in the series, gathered responses from 436 cooperatives spanning diverse sectors including retail, financial services, agriculture, and insurance. This report presents descriptive statistics on board composition, governance practices, management structures, member participation, and board and cooperative performance.

Key findings include the following:

- **Board Composition:** Most cooperatives practice representative democracy, with board sizes ranging from 2 to 44 members (median: 8). Direct democracy is most common in worker cooperatives. Director diversity in age, gender, and race differs by cooperative type.
- **Board Elections and Nominations:** Most cooperatives elect their boards directly, and contested elections remain relatively rare. Nominating committees are common but vary in structure and function. They are primarily used to assess candidate eligibility and define recruitment priorities.
- **Training and Evaluation:** Basic director training and onboarding practices are widespread, but board evaluation lags. Forty-three percent of respondents never evaluate the board as a whole; evaluations of individual directors and committees are even less frequent.
- **Meetings and Decision-Making:** Agenda setting is collaborative, often by the board chair and CEO jointly (30 percent), or CEO with chair approval (18 percent). Board chairs lead most meetings (70 percent).
- **Board Compensation:** About half of cooperatives compensate board members, with insurance mutuals (95 percent) and producer/marketing cooperatives (82 percent) leading. Attendance-based per-meeting payments and fixed annual payments are the most common forms of director compensation.
- **Management Practices:** Most cooperatives (87 percent) have a CEO. Worker cooperatives often adopt collective or alternative management structures. Succession planning and performance evaluation practices are uneven across cooperatives.
- **Member Participation:** Member engagement is highest in worker cooperatives, based on turnout at the last board election and annual meeting. About 48 percent of respondents allow members to attend board meetings, with housing and multi-stakeholder cooperatives being the most open.
- **Governance Effectiveness and Cooperative Performance:** Boards are generally perceived as effective, with high ratings in strategic oversight and organizational performance. Reputation, member satisfaction, and delivery of value to members were rated highest among performance measures.

These insights are intended to support cooperatives in strengthening governance systems and practices to achieve alignment between member-driven priorities and managerial objectives.

INTRODUCTION

Effective governance is a fundamental aspect of the cooperative model and vital for long-term organizational success. Governance in cooperatives is not only a structural necessity but a reflection of cooperative values. Effective governance ensures that member voices are heard, strategic decisions are made transparently, and the organization remains resilient in changing environments.

In 2021, the University of Wisconsin Center for Cooperatives (UWCC) established the Cooperative Governance Research Initiative (CGRI), a national, study that collects and analyzes data every three years about cooperative governance practices. CGRI is characterized by three key elements: a collaborative partnership with the cooperative community, ensuring research is informed by real-world needs; a commitment to collecting data that is both scientifically vigorous and practically useful; and a focus on translating research findings into tools and resources that cooperatives can use.

Our first round of data collection started in 2021 and consisted of an online survey and in-depth interviews. Reports on the 2021 data can be found in the publications section of the UWCC website. In 2024, we conducted the second CGRI survey. This report describes summary statistics from the 2024 data.

We hope that our findings empower cooperatives to enhance their governance practices and better serve their members.

METHODS

An online survey was distributed through Qualtrics to 3,594 cooperatives, insurance mutuals, and credit unions between May and July 2024. Our sampling frame was developed by asking partner organizations to share their member lists (if permissible) and by compiling publicly available cooperative contacts. Using a higher survey completion cutoff than our 2021 study, we obtained an initial sample of 447 cooperatives. After removing duplicates and non-eligible respondents, we refined the sample to 436 cooperatives for analysis, which represents a 12% response rate.

Since the CGRI study intends to track governance practices over time, the 2024 survey requested responses on the same topics as 2021:

- Board composition
- Board nominations and elections
- Board training, education, and development
- Board meetings and decision-making practices
- Board compensation
- Management structures
- Member participation
- Board culture

We emailed the survey through Qualtrics to a contact person on our sample list who is responsible for the governance function of their cooperative, in most cases the CEO. The full questionnaire is available by emailing the study team at cgri@uwcc.wisc.edu. To encourage participation, we allowed multiple individuals to complete the survey and provided a $25 REI gift card to the first 400 eligible respondents. In addition, we sent three email reminders and made one follow-up phone call to non-respondents.

Findings presented in this report are based on descriptive statistics (such as means, medians, and percentages) of the 2024 data (N = 436). Missing data were accounted for in the analysis; however, they were not displayed in the charts in subsequent sections due to space limitations. Some percentages may not add up to 100 due to missing data or rounding. We use the terms participating cooperatives and respondents interchangeably.

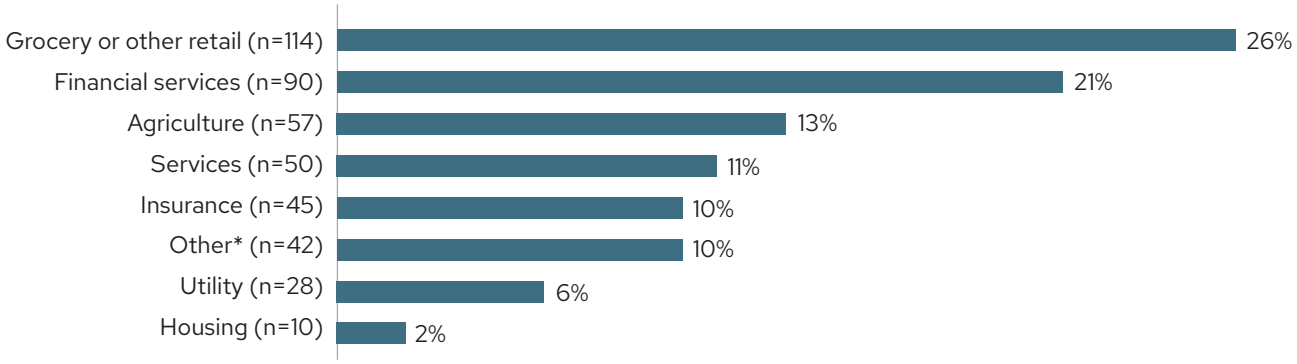
PROFILE OF PARTICIPANTS

Among the 436 respondents, 225 also completed the 2021 survey (52 percent return rate). The 2024 CGRI survey reflects a broad cross-section of the cooperative economy, with representation from nearly every U.S. state and a wide range of cooperative models.

Characteristics of Participating Cooperatives

As Figure 1 shows, participating cooperatives operate in a variety of industries, with retail being the most common based on the percentage of responses. Of the respondents in the retail industry, approximately 92 percent are food cooperatives. The data also includes representation from cooperatives in financial services; agriculture; services such as restaurants, cleaning, and consulting; and insurance. Of the 90 respondents in the financial services industry, all but two are credit unions.

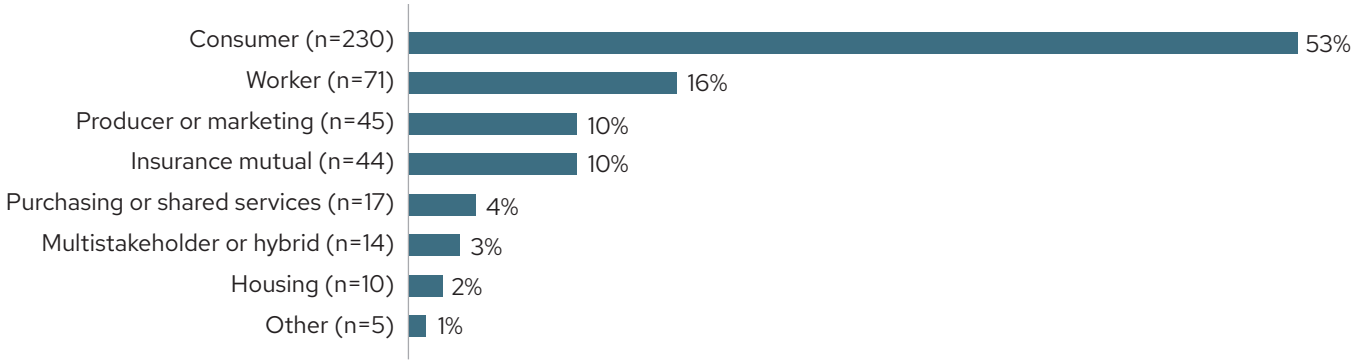
Figure 1. Participating Cooperatives by Industry



**Other includes education or childcare, healthcare or home care, manufacturing, transportation, construction, and cooperatives in other industries.*

Participating cooperatives also represent many different membership types; however, slightly more than half (53 percent) of respondents are consumer cooperatives (Figure 2). Among consumer cooperatives, 45 percent are food cooperatives and 39 percent are credit unions.

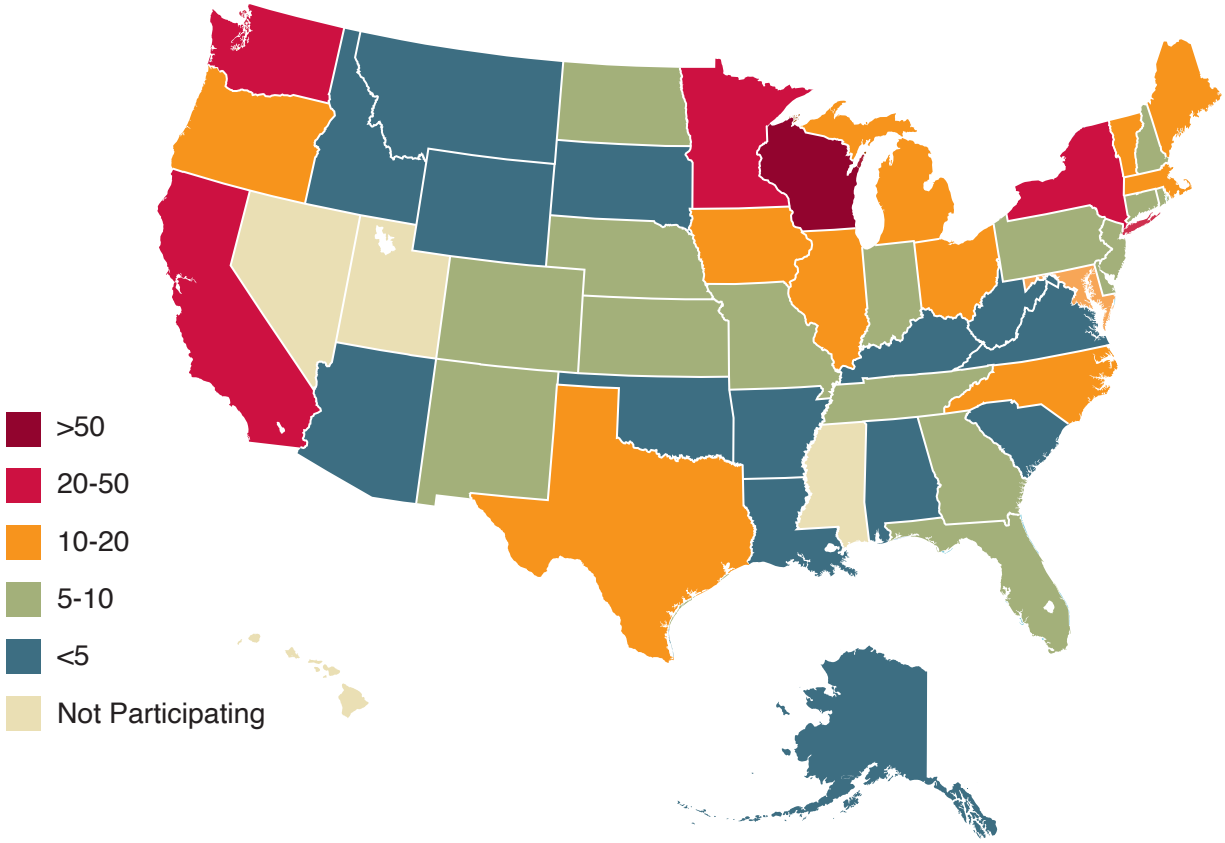
Figure 2. Participating Cooperatives by Type



Most respondents (95 percent) are primary cooperatives of individual members. Three percent are secondary cooperatives whose members are themselves cooperatives, and two percent are hybrid cooperatives whose members are both primary and secondary cooperatives.

As Figure 3 shows, participating cooperatives are headquartered in 47 states and the District of Columbia. Nearly two-thirds (63 percent) operate in local markets, 23 percent in regional markets, eight percent in national markets, and six percent internationally.

Figure 3. Participating Cooperatives by State



We assessed cooperatives' operational scale by membership size and gross revenue from the most recently completed fiscal year. Participating cooperatives' membership size ranges between two and 250,000 members, with a median of 3,700 and a mean of 12,965. Consumer cooperatives have the largest median membership base, followed by insurance mutuals and producer/marketing cooperatives (Table 1). Insurance mutuals' membership was measured by the total number of policyholders, which ranges between 21 and 400,000.

Table 1. Size of Participating Cooperatives by Number of Members

	Min.	Max.	Mean	Median
Worker	2	180	16	7
Housing	9	1,486	331	218
Other	5	3,000	719	209
Purchasing or shared services	14	4,200	850	164
Multistakeholder or hybrid	14	26,160	2,526	125
Producer or marketing	14	100,000	7,258	2,155
Consumer	24	250,000	20,432	8,900
Insurance mutual	21	400,000	29,189	3,400

Participating cooperatives' total revenue ranges between zero dollars and $17 million, with a median of $7.5 million and a mean of $155.6 million. One cooperative that reported zero revenue was established relatively recently and may not have had financial information available when completing the survey. Producer/marketing cooperatives have the highest median revenue, followed by purchasing/shared services and consumer cooperatives (Table 2).

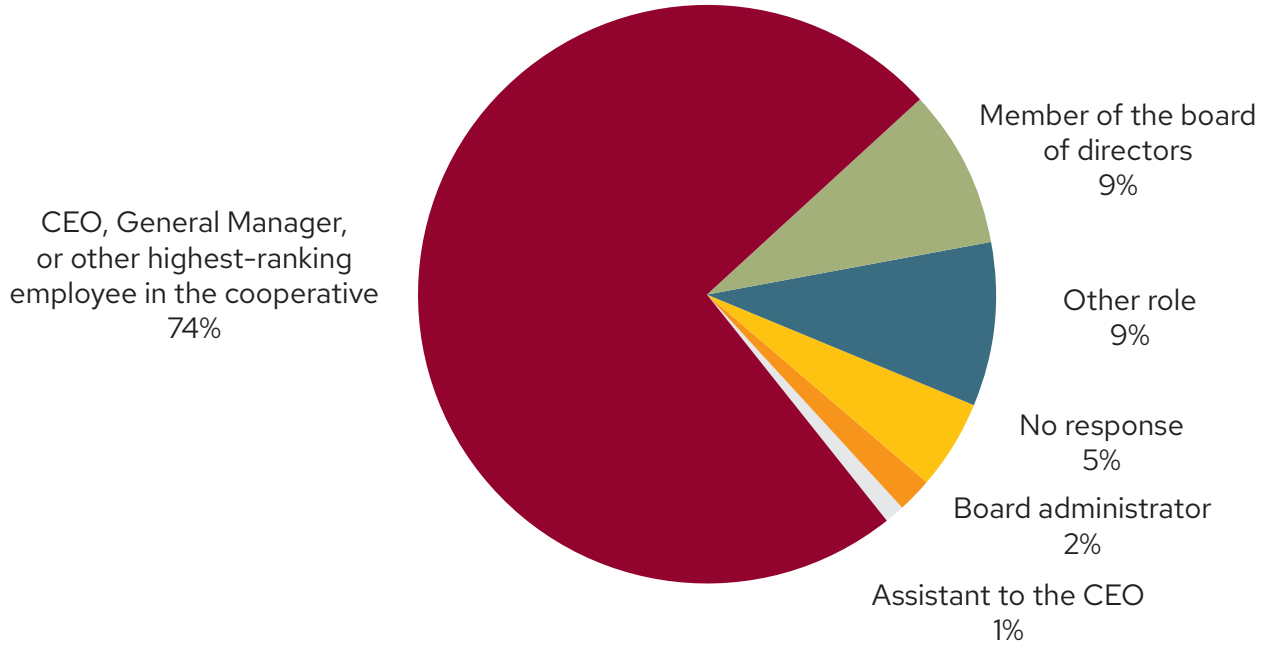
Table 2. Size of Participating Cooperatives by Revenue

	Min.	Max.	Mean	Median
Other	$8,000	$4,500,000	$1,658,250	$1,062,500
Worker	$37	$51,000,000	$3,378,578	$550,492
Insurance mutual	$760,000	$730,000,000	$83,429,999	$8,100,000
Consumer	-	$1,274,321,635	$45,848,112	$9,500,000
Purchasing or shared services	$325,582	$1,690,000,000	$255,619,423	$21,900,000
Producer or marketing	$325,000	$3,000,000,000	$592,308,896	$325,000,000
Multistakeholder or hybrid	$200,000	$17,000,000,000	$1,422,011,846	$1,200,000

Characteristics of Survey Respondents

Most surveys (92 percent, n = 402) were completed by one person responsible for the governance function of their cooperative. Only two percent of surveys were completed by two or more people. The remaining six percent (n = 24) did not indicate the number of respondents. As Figure 4 shows, 74 percent of sole respondents are CEOs, nine percent are members of the board of directors, and nine percent have another role.

Figure 4. Survey Respondents by Role



Respondents were asked to select the race and ethnicity that corresponded to their identities from multiple-choice dropdowns. Respondents who selected more than one racial category – for example, Asian and Black/African American were reclassified as multiracial. A similar recoding method was applied to ethnicity. Eighty percent (n = 348) self-reported as White, five percent (n = 20) as multiracial, and two percent each for Asian and Black/African American. Ten percent (n = 43) refused to disclose their race. Regarding ethnicity, 78 percent (n = 342) were not of Hispanic/Latino/Spanish origin; four percent (n = 17) identified with another ethnicity; and two percent each identified as Mexican/Mexican American/Chicano, another Hispanic/Latino/Spanish category, or polyethnic. Twelve percent (n = 52) declined to report their ethnicity.

Slightly more than half (56 percent, n = 246) of the respondents self-identified as male, approximately a third (34 percent, n = 148) as female, and two percent (n = 14) as nonbinary or another gender identity. Six percent (n = 28) declined to disclose their gender.

KEY TAKEAWAYS

Board Composition

This section explores several factors that influence democratic governance in cooperatives, such as board size, tenure, and demographics.

Democratic Decision-Making in Cooperatives

Cooperatives adopt various approaches to democratic decision-making. One key distinction lies between direct and representative democracy. Most participating cooperatives (89 percent) practice representative democracy in which members elect a subset of the membership to serve as the board. In contrast, direct democracy involves all members serving on the board. This model is most common in worker cooperatives: 92 percent of respondents that practice direct democracy are worker cooperatives, and 63 percent of participating worker cooperatives use direct democracy. This finding highlights the commonality of representative structures in cooperatives overall, and the prevalence of direct democracy in worker cooperatives.

Board Size

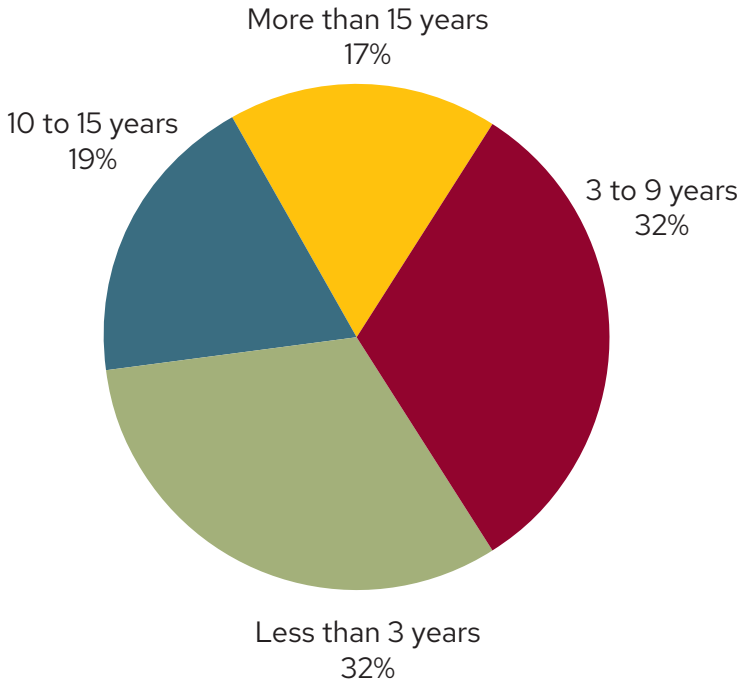
Participating cooperatives *currently* have between two and 44 directors serving on the board with a median of eight and a mean of nine. The survey also asked how many directors cooperatives allow to serve on the board. The maximum board size allowed ranges from four to 100 with a median of nine and a mean of 11. Twenty-one percent of participating cooperatives set a range for how many directors are allowed rather than a specific number.

Among the 387 participating cooperatives that elect a board, 68 percent require member approval to change the size of the board. In the last five years, 10 percent of participating cooperatives have expanded their board, while another 10 percent have reduced the size of their board. The most reported reason for increasing board size was to better represent stakeholders (n = 26) followed by improving the board's skills and experience (n = 23) and diversity (n = 21). The most frequently reported reason for decreasing board size was to achieve efficiencies of a smaller board (n = 26).

Director Tenure

Figure 5 shows board tenure composition by years of service among participating cooperatives. Most directors have served for less than 10 years, with only 36 percent serving 10 years or more. Consumer cooperatives, insurance mutuals, and producer/marketing cooperatives reported the highest percentage of directors serving more than 15 years (53, 19, and 16 percent, respectively). Consumer and worker cooperatives reported the highest percentage of directors serving less than three years (55, 10, and 15 percent, respectively). Note: Insurance mutuals have the most tenured boards, with the highest percentage of directors serving more than 15 years (n = 37, median = 40). In contrast, housing cooperatives have the least tenured boards, with the highest percentage of directors serving fewer than three years (n = 9, median = 83).

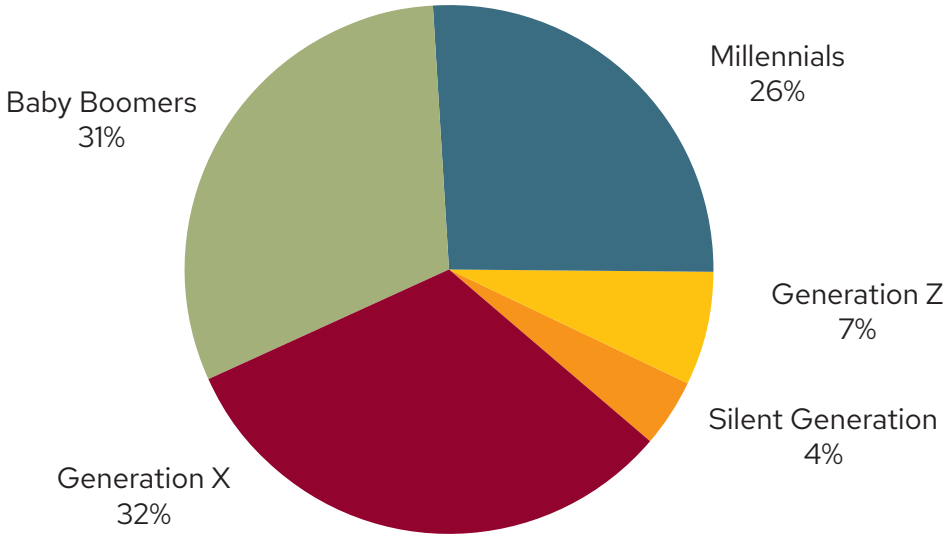
Figure 5. Tenure Composition of Average Participating Cooperative Board



Board Demographics

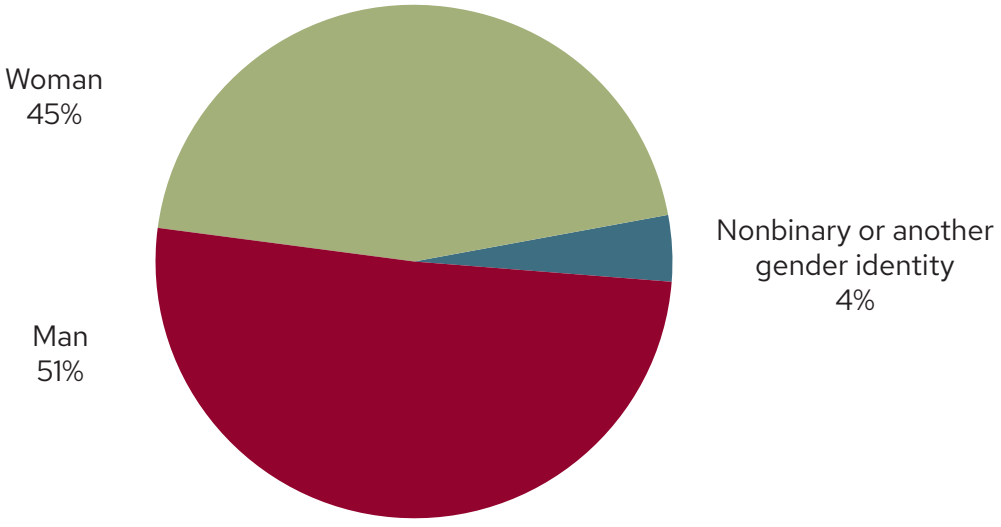
Board demographics collected included age, gender, ethnicity, and race. As Figure 6 shows, among participating cooperative boards, a third of directors are younger than 43 and nearly two-thirds are younger than 60 (Generation Z, Millennials, and Generation X).[1] Worker cooperatives (91 percent) have the highest proportion of directors under 60 years of age, followed by multistakeholder or hybrid, and purchasing or shared services cooperatives (77 and 69 percent, respectively). Slightly more than half of worker cooperatives' board members (53 percent) are Millennials, while over half (52 percent) of insurance mutuals' board members are Baby Boomers.

Figure 6. Age Composition of Average Participating Cooperative Board



The average participating cooperative board is made up of 51 percent men, 45 percent women, and four percent directors who identify as nonbinary or in another way (Figure 7). Approximately 12 percent (n = 53) of participating cooperatives have all-male boards, while three percent (n = 12) reported all-female boards. Additionally, nine percent (n = 41) have at least one director with a nonbinary gender identity.

Figure 7. Gender Composition of Average Participating Cooperative Board

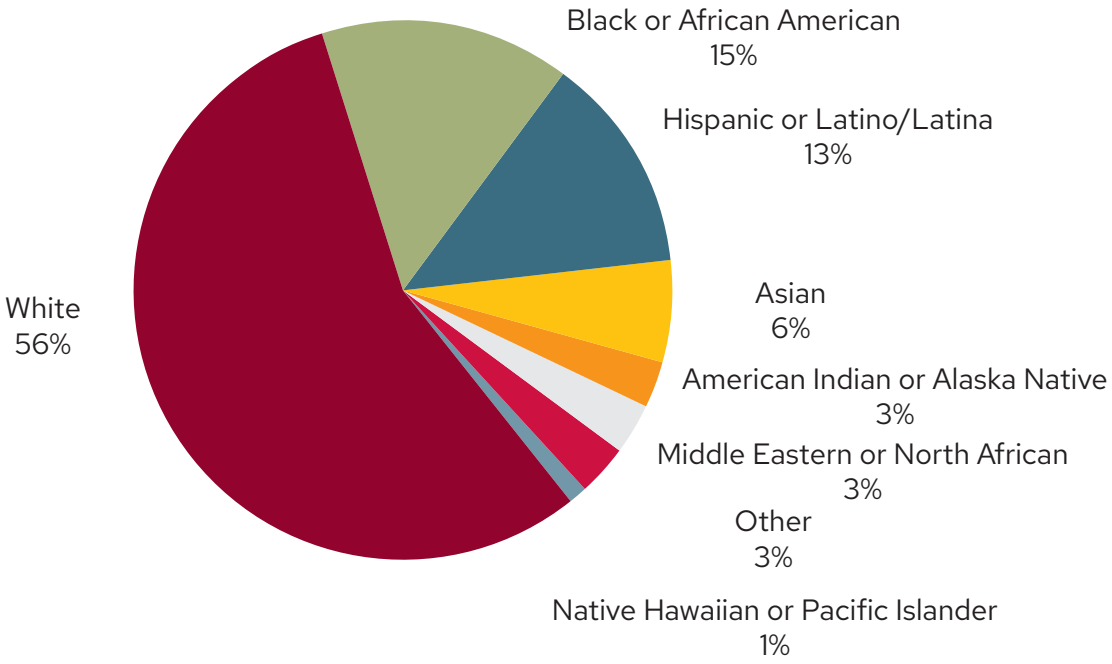


[1]We used generation thresholds from the Pew Research Center that reflect the following age groups in 2024: Generation Z (27 years or younger), Millennials (28 to 43), Generation X (44 to 59), Baby Boomers (60 to 78), Silent Generation (79 years or older).

On average, multistakeholder cooperative boards have the highest percentage of women directors (n = 14, 62 percent), followed by worker cooperatives (n = 64, 50 percent) and consumer cooperatives (n = 207, 43 percent). Conversely, producer/marketing cooperatives have the highest percentage of male directors (n = 42, 100 percent), followed by insurance mutuals (n = 43, 82 percent) and purchasing/shared services cooperatives (n = 17, 70 percent). Although the proportion of directors with a nonbinary gender identity is relatively small, workers cooperatives reported the highest count (n = 18, 60 percent).

Across all participating cooperatives, slightly more than half of the board seats are held by White directors (56 percent, Figure 8), followed by Black and Hispanic/Latino directors (15 and 13 percent, respectively). On average, participating cooperatives have a median of seven White directors, with one director each from other racial or ethnic groups.

Figure 8. Board of Directors Across Racial and Ethnic Groups (Full Sample)



Among the full sample, 33 percent board of directors are BIPOC (Black, Indigenous, and people of color) and 67 percent are White. Consumer and worker cooperatives reported a higher proportion of BIPOC directors compared to other cooperatives, suggesting that their boards may be more racially and ethnically diverse.

Approximately 25 percent of participating cooperatives plan to prioritize board diversity within the next three years (six percent *extremely likely*, 19 percent *very likely*). Key priority areas include professional skills or experience, race and ethnicity, gender, and age (45, 43, 38, and 38 percent, respectively), based on the proportion of responses.

Some cooperatives use outside directors to help achieve their board diversity goals. We define outside directors as individuals who serve on the board but are not members of the cooperative. There is no consensus across the cooperative community regarding the issue of permitting non-members to serve on a cooperative's board. Some believe that including outside directors weakens the cooperative structure, while others argue that they are crucial for creating a well-balanced and effective leadership team.

Overall, 16 percent of participating cooperatives allow outside directors; however, practices vary across cooperative types. Approximately one-third of producer cooperatives, purchasing cooperatives, and insurance mutuals allow outside directors, compared to just four percent of consumer cooperatives. Among worker cooperatives, 23 percent allow outside directors.

Among the cooperatives that allow outside directors, 49 percent had them serving on their boards at the time of the 2024 CGRI survey. On average, outside directors occupied three seats, accounting for 41 percent of board membership. Among the 69 participating cooperatives with outside directors, most are selected by the board (59 percent, Figure 9) or the membership (57 percent). Among participating cooperatives that permit outside directors, 74 percent allow them to vote on board matters. Of those that currently do not, only four percent are considering adding outside directors.

Figure 9. In Your Cooperative, Are Outside Directors...? (N = 69)

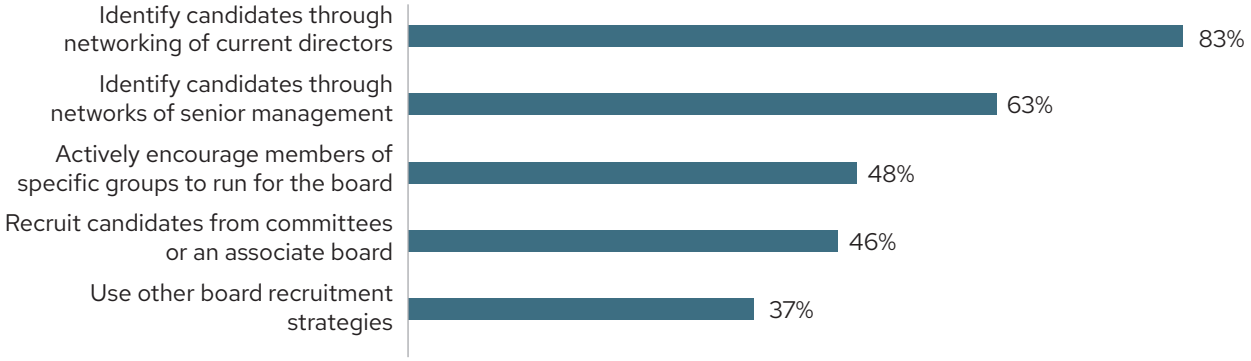
Board Nominations and Elections

Democratic member control is one of the core cooperative principles, which is often exercised through direct democracy or representative democracy. In cooperatives practicing direct democracy, all members serve on the board. In those governed by representative democracy, the board is elected by and from the membership. Representative democracy is most common, as 89 percent (n = 387) of participating cooperatives use this model. Board elections may be conducted by members directly, through delegates, or via other mechanisms. Direct member election is the most common. **Among participating cooperatives, 97 percent elect the board directly and two percent use a delegate system.** Only 20 percent of cooperatives that elect a board allow proxy voting. Proxy voting is most common among purchasing cooperatives, insurance mutuals, and producer cooperatives.

Director Recruitment

CGRI participants employ multiple methods to identify potential board members. The most common approaches include leveraging the personal or professional connections of current board members (74 percent) and senior management (56 percent, Figure 10). Other frequently mentioned strategies include communication channels such social media, the cooperative's website and newsletter, and flyers; direct outreach to members via letters, emails, and phone calls; nominating committees; engagement with community organizations and partners; and involving cooperative staff in identifying candidates. The most common "other" nomination method was a committee, usually a nominating committee.

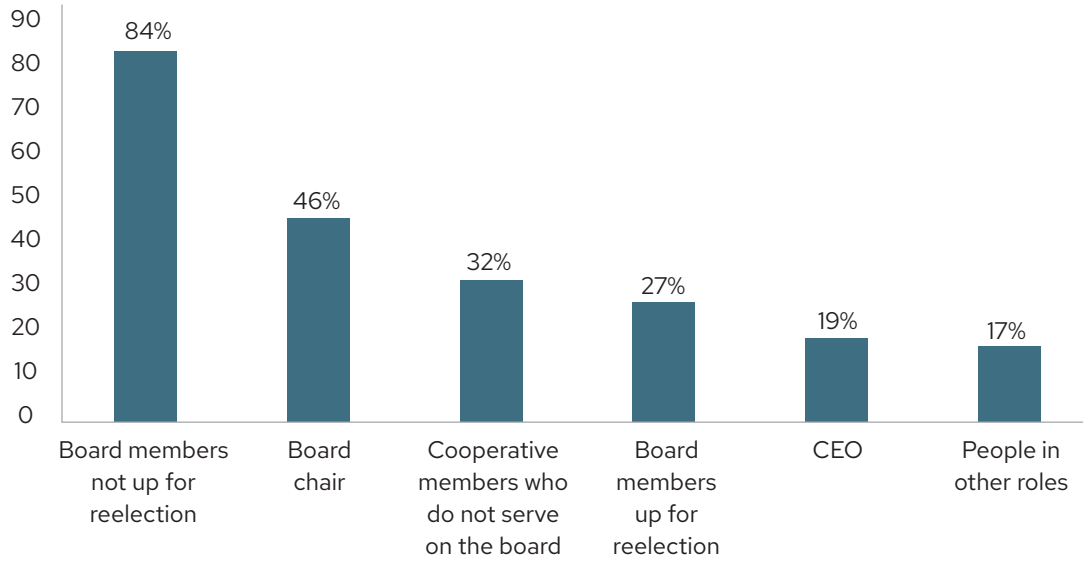
Figure 10. Proportion of Participating Cooperatives That ... (N = 387)



Two-thirds (67 percent, n = 261) of participating cooperatives report having a nominating committee. These committees most often *assess board candidate eligibility* (88 percent, n = 230) and *define needed skills to inform recruitment priorities* (49 percent, n = 129). The least common responsibility includes *proposing an uncontested slate of candidates* (23 percent, n = 61). Fewer than 30 percent of respondents (n = 78) task their nominating committee with *recruiting multiple candidates to ensure contested board seats*.

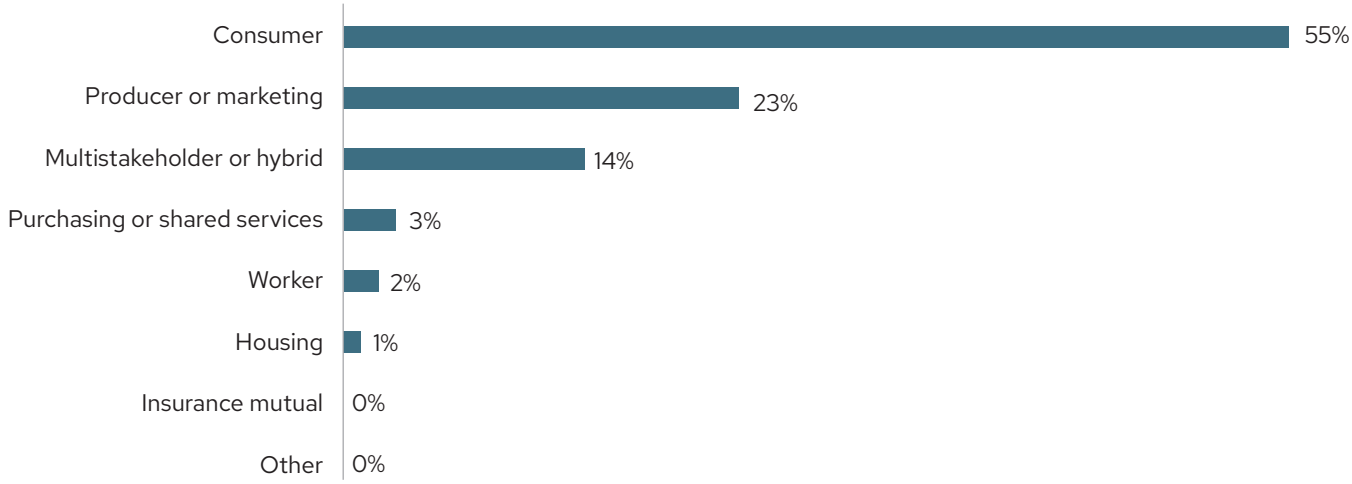
The nominating committee is most often appointed by the entire board (69 percent, n = 180), followed by the board chair (23 percent, n = 61). In a small number of cooperatives, the committee is appointed by the CEO (three percent, n = 7) or elected by the membership (two percent, n = 5). Nominating committees most often include *board members not up for reelection* (84 percent, n = 219, Figure 11), the *board chair* (46 percent, n = 120), and *cooperative members who do not serve on the board* (32 percent, n = 84).

Figure 11. Who Serves on the Nominating Committee?



Among participating cooperatives that practice representative democracy (n = 387), over half (55 percent) have not held a contested election during the last three years. Consumer cooperatives tend to have a high proportion of contested board elections, followed by producer/marketing and multistakeholder cooperatives (Figure 12). The median number of contested elections is one each for consumer and multistakeholder cooperatives and two for producer cooperatives. The relatively low number of contested elections may reflect limited member engagement or recruitment challenges. Cooperatives could consider targeted outreach, leadership development programs, and transparent nomination processes to encourage broader participation.

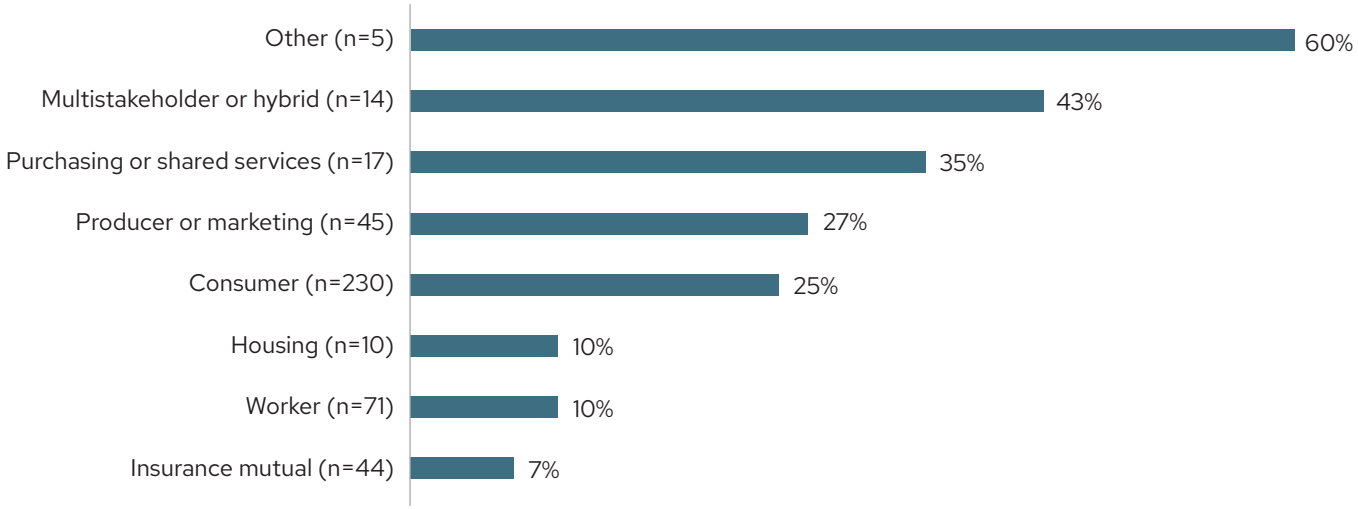
Figure 12. Proportion of Participating Cooperatives That Have Had a Contested Election in the Past Three Years



Terms

The average duration of a standard board term among participating cooperatives ranges from one to five years, with both the mean and median at three years. **Twenty-five percent (n = 96) of participating cooperatives limit the number of *consecutive* terms a director may serve, whereas only seven percent (n = 26) restrict the *total* number of terms.** Consecutive term limits are relatively common among multistakeholder/hybrid cooperatives (43 percent, Figure 13), purchasing/shared services (35 percent), and producer/marketing cooperatives (27 percent). These limits range from one to ten terms, with an average of three. The total number of terms a director can serve ranges from two to seven, with an average of three.

Figure 13. Proportion of Participating Cooperatives That Limit Consecutive Terms



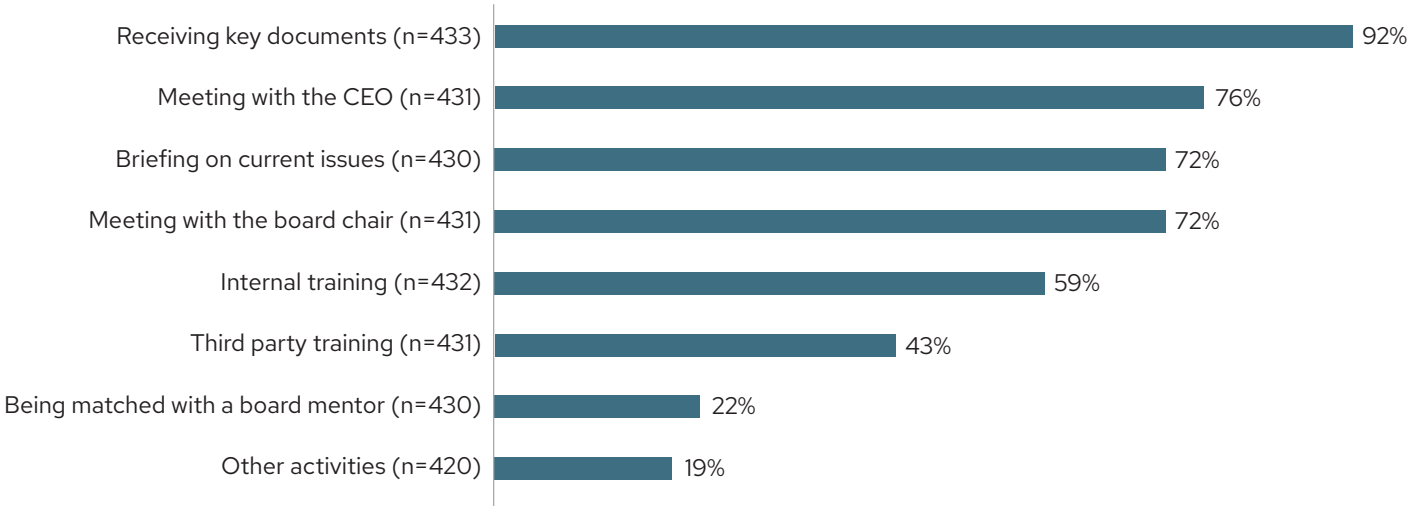
Most cooperatives (89 percent) do not mandate a retirement age for directors. Among the 11 percent that do, the average retirement age is 72, with a range from 65 to 75.

Mandated retirement ages appear more common among insurance mutuals and producer/marketing cooperatives than other cooperatives based on reported percentages. However, this interpretation should be approached with caution due to the relatively small number of these cooperatives in the study. Similarly, total and consecutive term limits for board members may be rare, but small sample sizes for these measures also constrain our interpretation.

Board Training, Education, and Development

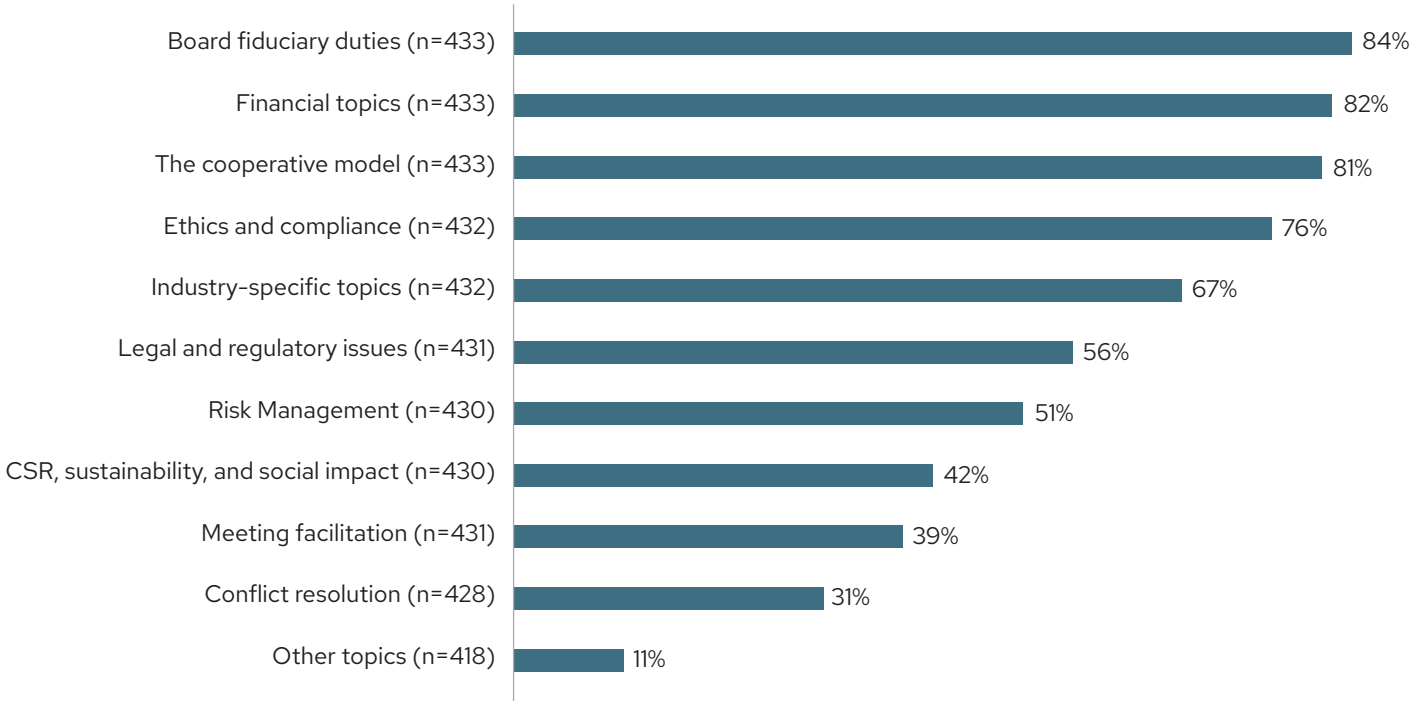
Cooperatives use an array of approaches to onboarding directors. The top priority areas based on the proportion of responses include receiving key documents, meeting with the CEO and the board chair, and briefing on key issues (Figure 14).

Figure 14. Proportion of Participating Cooperatives in Which Board Onboarding Includes...



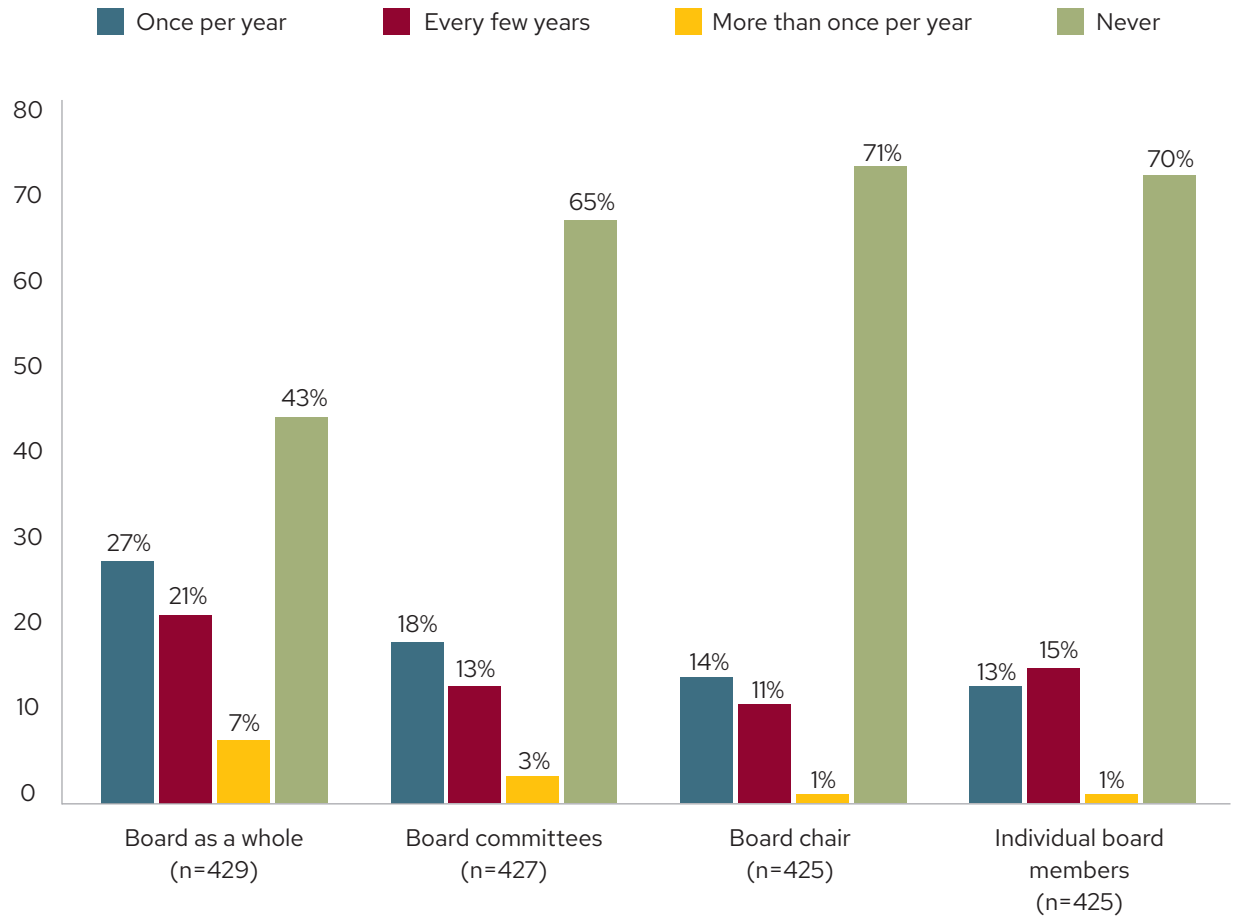
Similarly, directors are provided with various types of training, and subject matters such as board fiduciary duties, financial topics, and the cooperative model remain a common focus (Figure 15).

Figure 15. Proportion of Participating Cooperatives That Train Board Members in...



Board evaluation appears to be relatively uncommon in this sample since a high proportion of cooperatives reported never evaluating the board chair, individual board members, or board committee members (Figure 16). Among those that have conducted evaluations, many of them tend to evaluate the board as a whole at least once per year. Although one evaluation per year is common, and multiple evaluations are rare, regular board evaluations are a critical tool for continuous improvement. They help identify skill gaps, foster accountability, and ensure alignment with cooperative values and strategic goals.

Figure 16. Frequency of Board Evaluations Among Participating Cooperatives



Board Meetings and Decision-Making Practices

Board meetings are a central part of a board's work, so it's important that they are well-organized and productive. The 2024 CGRI survey looked at various elements of board meetings, including how often they occur, how long they last, how agendas are created, how meetings are facilitated, and how time is distributed across topics. On average, boards from participating cooperatives met 12 times over the past 12 months, with each meeting lasting approximately two hours. Approximately 65 percent (n = 285) of respondents indicated that their board of directors was prepared for meetings, with 12 percent indicating all directors and 53 percent most directors arrived at typical board meetings in the past 12 months well prepared.

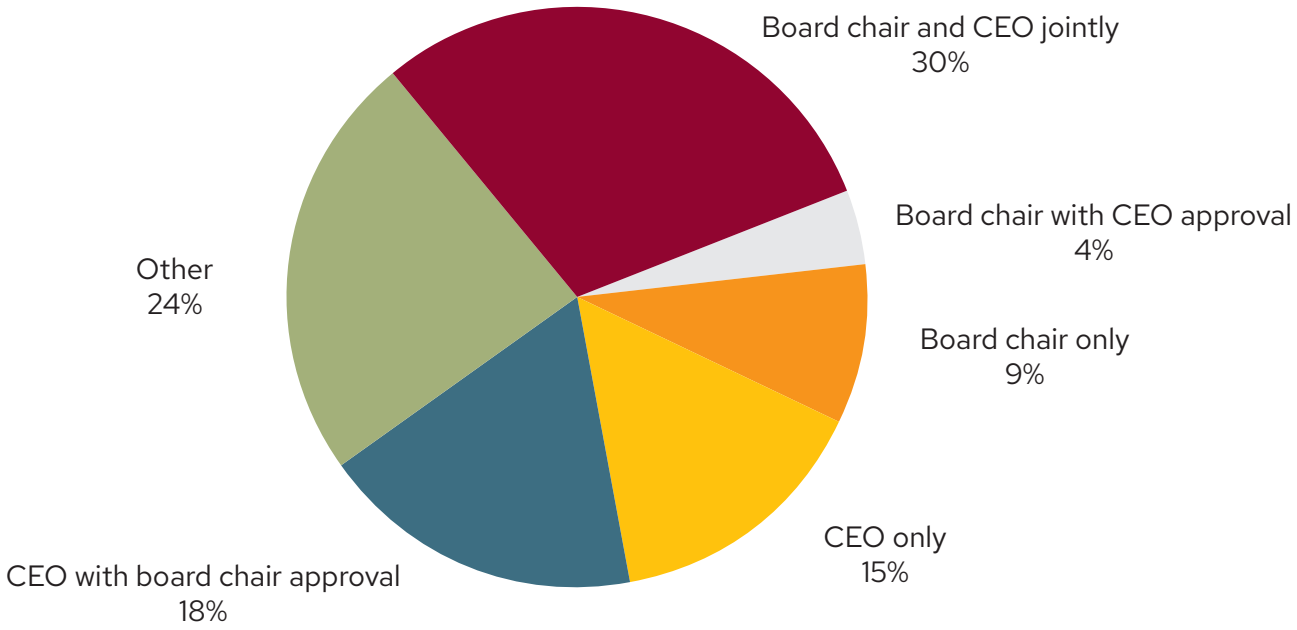
EXECUTIVE SESSIONS

An executive session is a portion of a regular board meeting reserved for private discussions among board members. These sessions are typically confidential, and depending on the subject matter, individuals like the CEO may be invited to join for part or all of the session. Boards use executive sessions to address sensitive issues, and they are a valuable mechanism for maintaining board independence and oversight. Some boards include executive sessions in every meeting, while others hold them only when necessary. In the 2024 CGRI survey, an executive session was defined as a portion of an otherwise open meeting where minutes are kept separately or not recorded, only board members attend, and the discussions remain confidential. Overall, 56 percent of respondents reported that *very few* or *some* of their meetings included executive sessions, while 23 percent said *most* or *all* meetings did over the past year.

Board Agendas and Facilitation

The board chair and CEO often influence board meeting agendas, having collaborated on 52 percent of agenda setting in the past 12 months—30 percent jointly, 18 percent led by the CEO with board chair approval, and four percent led by the board chair with CEO approval (Figure 17). The most frequent responses in the "other" category were "all members" and "a rotating team."

Figure 17. In the Past 12 Months, Who Has Set the Agenda for Board Meetings?

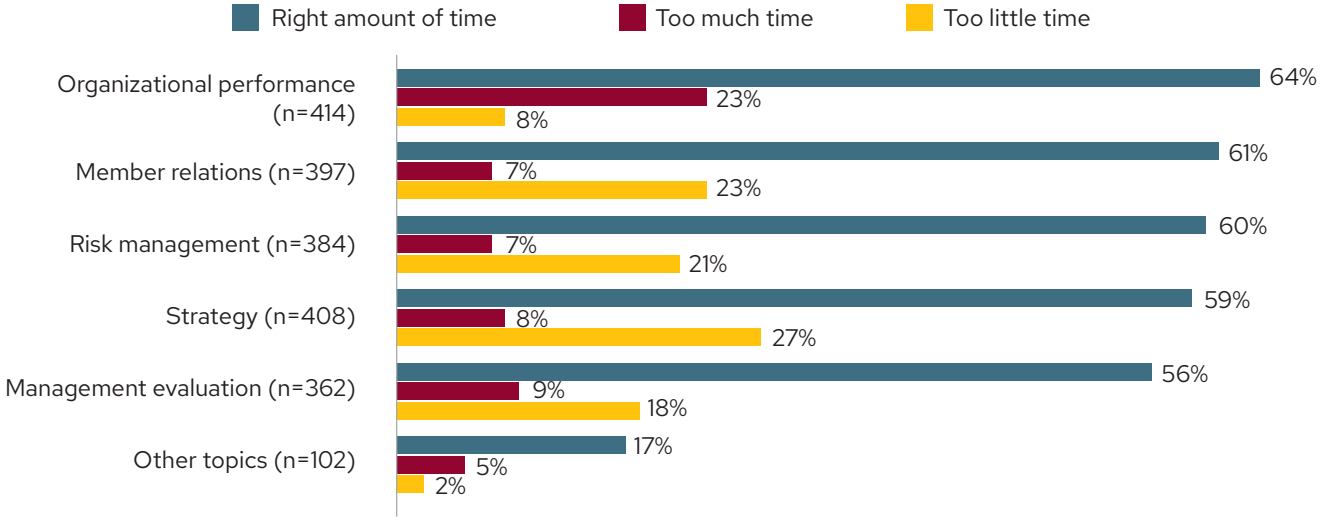


The facilitator of board meetings also plays a critical role by influencing meeting dynamics, power structures, board engagement, and perceived legitimacy. Their leadership directly shapes governance outcomes through agenda priorities, time management, and overall meeting flow. The choice of facilitator also affects board engagement, as skilled leadership can foster inclusive dialogue and mitigate conflict.

Finally, who leads the meeting can steer perceptions of legitimacy and transparency among stakeholders, influencing trust in the board's decision-making process. Our data suggests that most board meetings were facilitated by the board chair (70 percent), followed by the CEO (17 percent) and another board member (seven percent).

Both meeting agendas and facilitators have a major impact on how the board allocates its times across different topics. **Over half of participating cooperatives believe they are spending the appropriate amount of time on relevant topics during board meetings (Figure 18).** There is room for improvement by spending more time on topical areas such as strategy, member relations, and risk management, and less time on organizational performance.

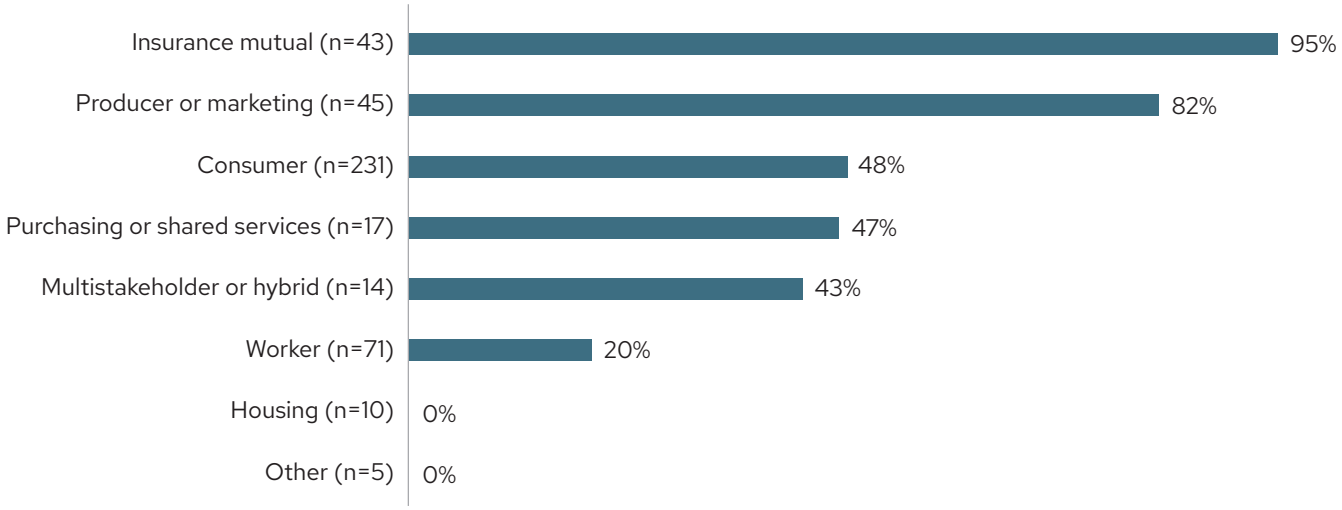
Figure 18. Actual vs. Ideal Allocation of Time in Board Meetings



Board Compensation

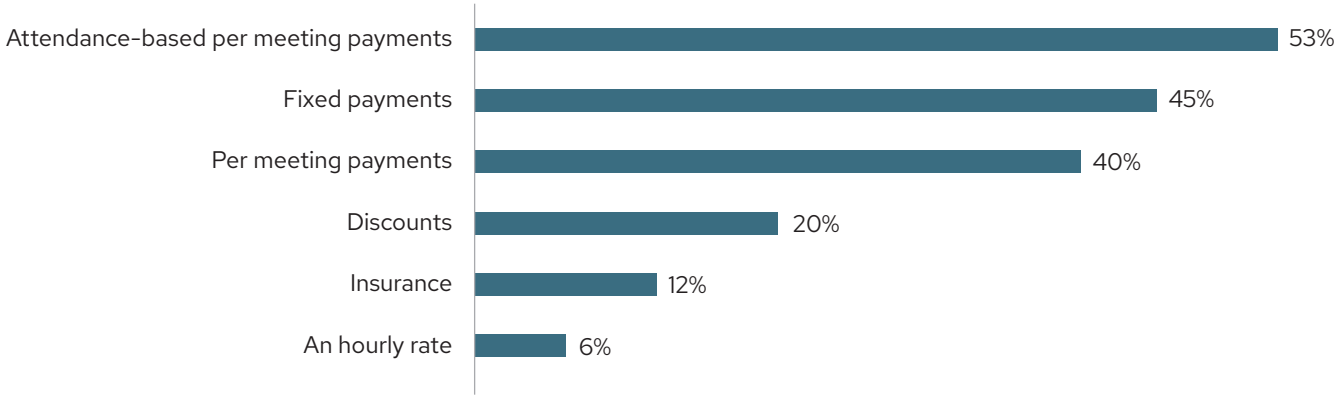
Approximately half of participating cooperatives compensate their board members. Compensation appears to be the most common among insurance mutuals and producer/marketing cooperatives (Figure 19).

Figure 19. Proportion of Participating Cooperatives That Compensate Board Members



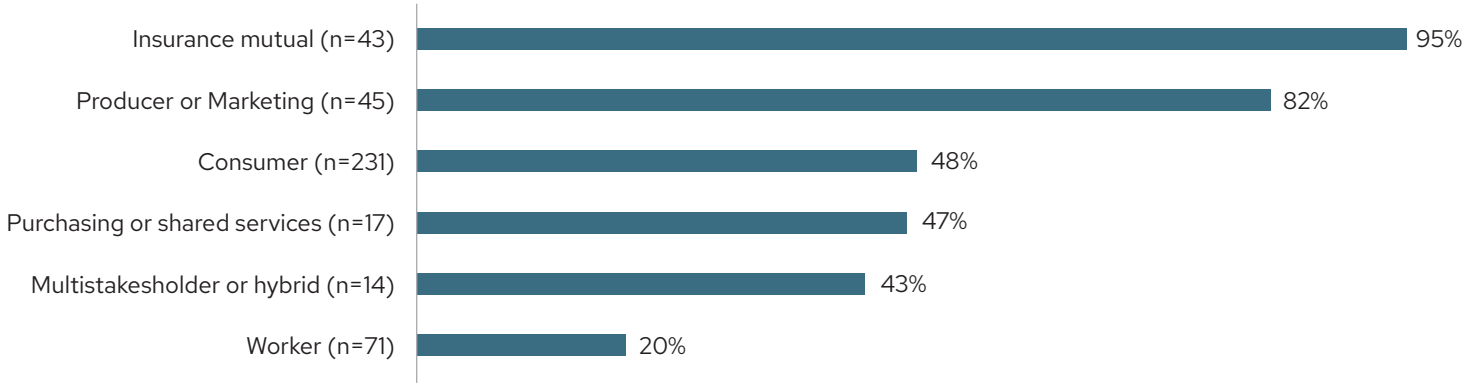
Among the 436 participating cooperatives, 216 compensate the board of directors for their service, 218 do not, and two did not respond. The most common form of compensation is attendance-based per meeting payments (53 percent). Nearly half (45 percent) reported using fixed payments (Figure 20).

Figure 20. Do Board Members Receive Any of the Following Types of Compensation? (N = 226)



The median annual compensation is $3,000 for officer directors, $1,500 for non-officer directors, and $3,500 for outside directors. The compensation amount varies significantly across membership structures. Officer directors typically receive higher compensation than non-officers, as illustrated in Figure 21. Insurance mutals are the only cooperative type in which, on average, outside directors receive the highest compensation. The largest gap between the higest and lowest compensation amounts occurs in insurance mutals, followed by producer/marketing and purchasing/shared services cooperatives, with differences of $6,100, $5,000, and $3,000, respectively. Please note that the median calculation included cooperatives that reported $0. Compensation data for housing cooperatives was unavailable in this sample.

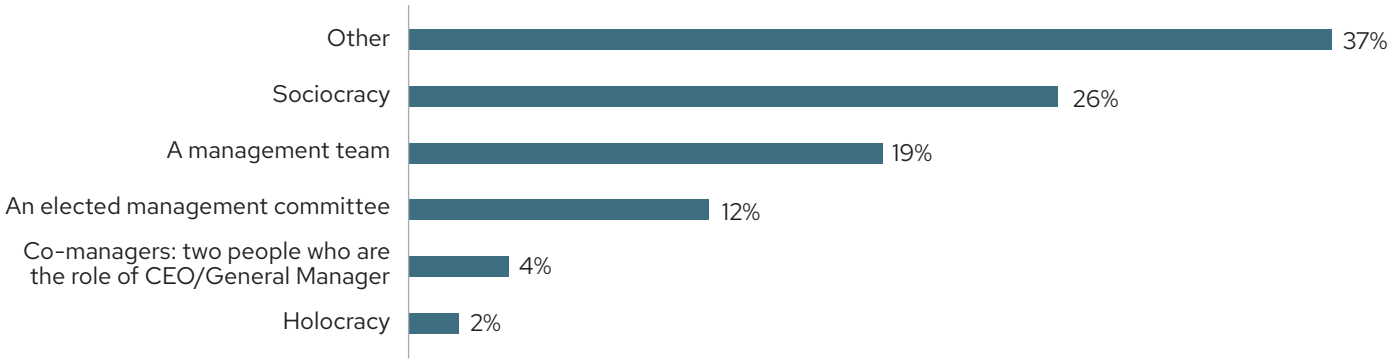
Figure 21. Proportion of Participating Cooperatives That Compensate Board Members



CEO and Management

Cooperative governance typically focuses on the board and members; however, management plays an important role in maintaining the health of a cooperative's governance systems and culture. Most participating cooperatives (n = 379, 87 percent) have a CEO, general manager, or executive director. Worker cooperatives often do not have a CEO. This tendency was confirmed in our sample, as 75 percent (n = 57) of participating worker cooperatives reported not having one. Among the 71 worker cooperatives, 63 percent (n = 45) reported practicing direct democracy and 37 percent (n = 26) using representative democracy (Figure 22). The most frequently cited management structure used by cooperatives without a CEO is *other*, followed by *sociocracy* and *a management team*. *Other* management structures often refer to non-traditional or flexible arrangements that may include collective management, rotating leadership, informal or ad hoc structures, and hybrid models.[2]

Figure 22. Management Structures Used by Participating Cooperatives Without a CEO (N = 57)



The average participating cooperative's CEO assumed their role in 2015. CEO tenure ranges from less than one year to 49 years, with a median of six years. Participating cooperatives have had between one and 13 different CEOs (including interims) in the past decade, with both the mean and median at two.

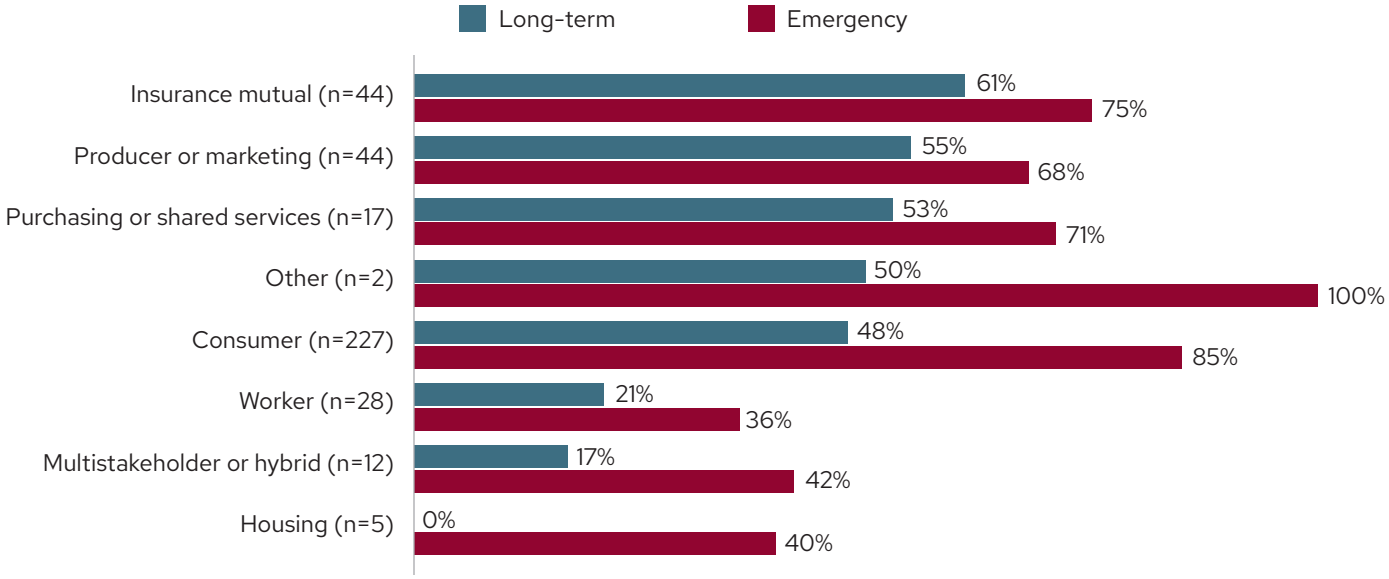
Long CEO tenures can contribute to organizational stability, but without robust succession planning, cooperatives may face leadership gaps. Emergency and long-term succession plans are essential for continuity and risk mitigation.

Succession Planning

Among participating cooperatives with a CEO, 75 percent (n = 286) have an emergency succession plan for CEOs, but less than half (47 percent) have a long-term succession plan. Emergency succession plans are most common among consumer cooperatives and least common among worker cooperatives; whereas long term succession planning is most common among insurance mutuals and least common in housing cooperatives (Figure 23).

[2]*United States Federation of Worker Cooperatives. Worker Co-op Structures and Decision-Making Processes.* https://www.usworker.coop/wp-content/uploads/2021/10/Co-op-Clinic-Mini-Guide-Structure-and-Decision-Making-EN.pdf

Figure 23. Proportion of Participating Cooperatives With Succession Plans

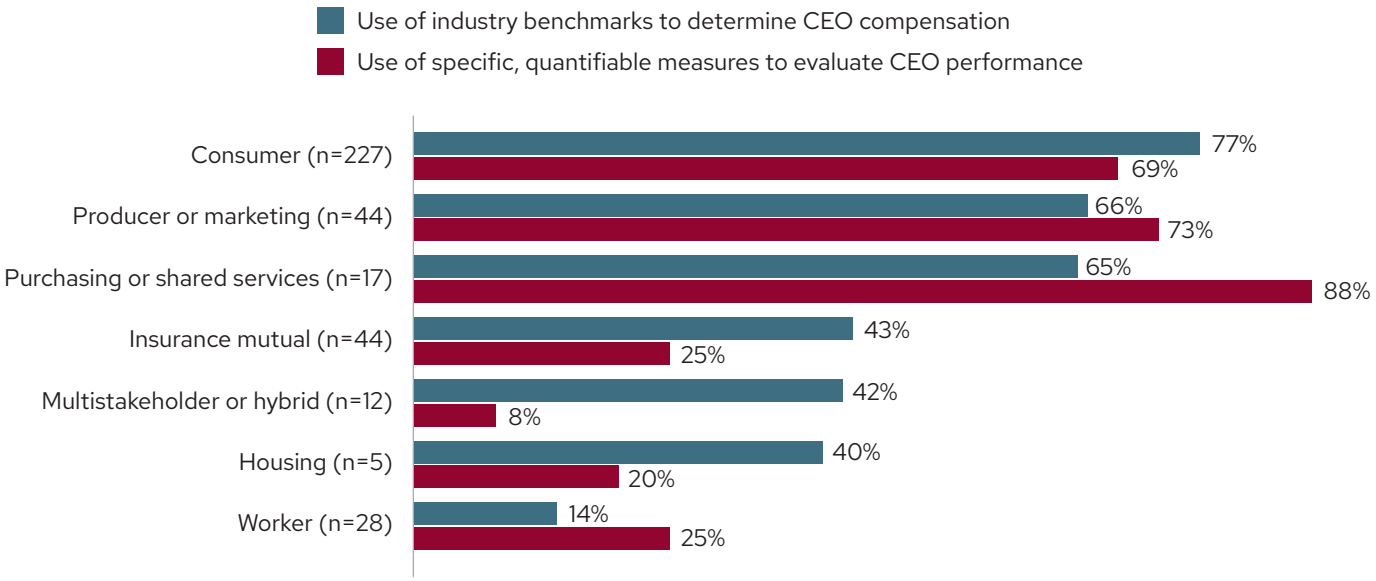


Performance and Compensation

A key job of the board is to oversee and evaluate the CEO's performance. **Fifty-nine percent of participating cooperatives use specific, quantifiable measures to evaluate the CEO's performance**. This practice is most common among purchasing/shared services, producer/marketing, and consumer cooperatives, and least common among insurance mutuals and worker, housing, and multistakeholder/hybrid cooperatives (Figure 24).

CEO compensation adjustments are often tied to the outcomes of annual performance evaluations. **Sixty-five percent of participating cooperatives rely on industry benchmarks to determine CEO compensation**. This approach is most common among consumer, producer/marketing, and purchasing/shared services cooperatives, while it is least utilized by worker cooperatives.

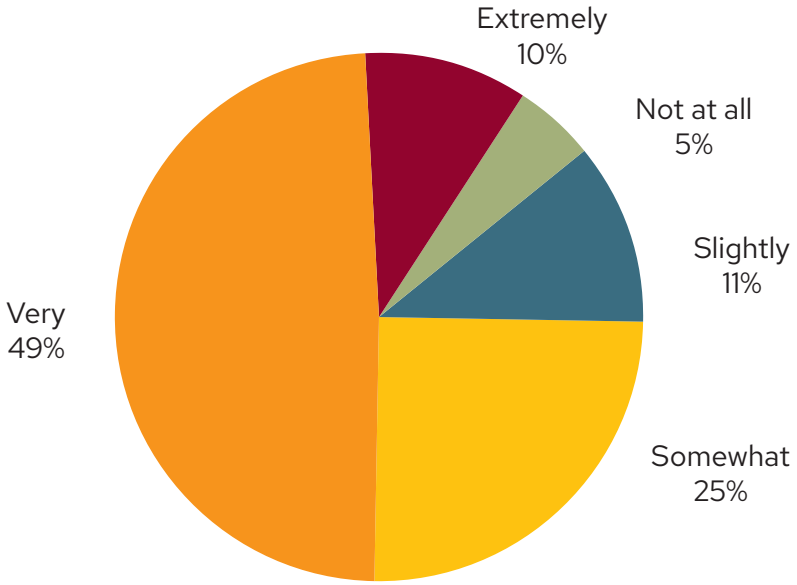
Figure 24. CEO Evaluation and Compensation Practices Among Participating Cooperatives



The Board-CEO Relationship

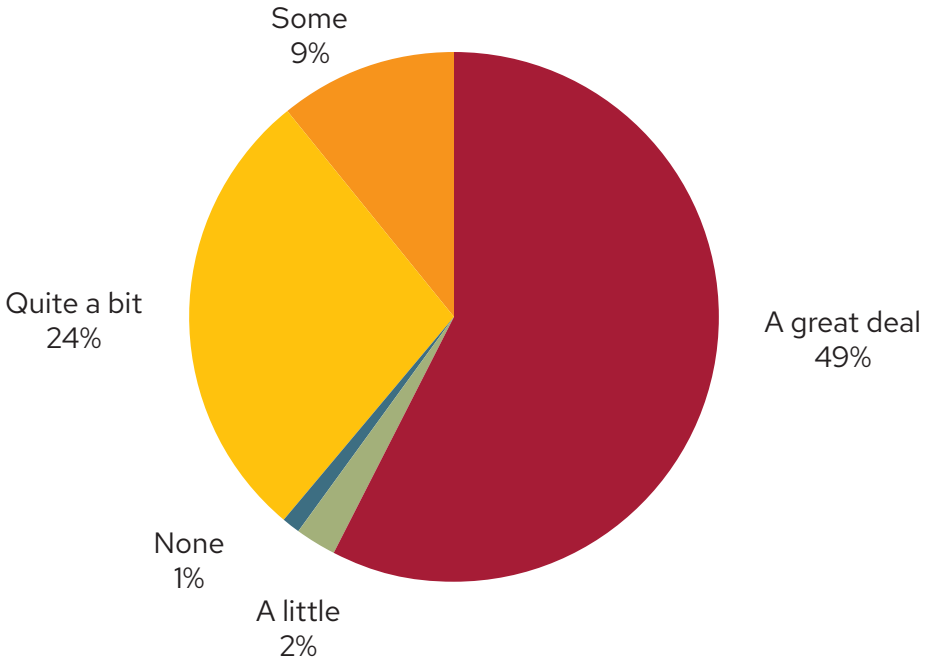
A healthy relationship between the board of directors and the CEO is essential to effective cooperative governance and management. Most participating cooperatives reported that their boards strike an appropriate balance between supporting and challenging the CEO, with 11 percent indicating this is done *extremely well* and 49 percent *very well* (Figure 25).

Figure 25. How Well Does the Board Strike an Appropriate Balance Between Supporting and Challenging the CEO?



Similarly, the level of trust between the board of directors and the CEO can influence how well they work together toward achieving organizational goals. Survey results suggest a high degree of trust between these parties, with 58 percent of respondents indicating a *great deal* of trust (Figure 26).

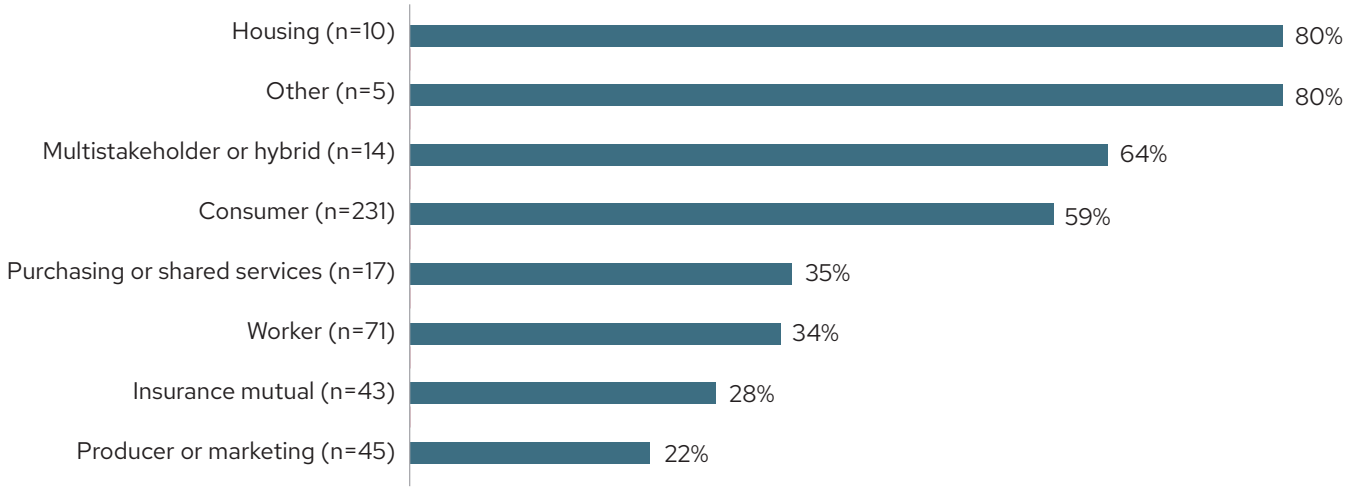
Figure 26. How Much Trust Exists Between the CEO and the Board?



Member Participation

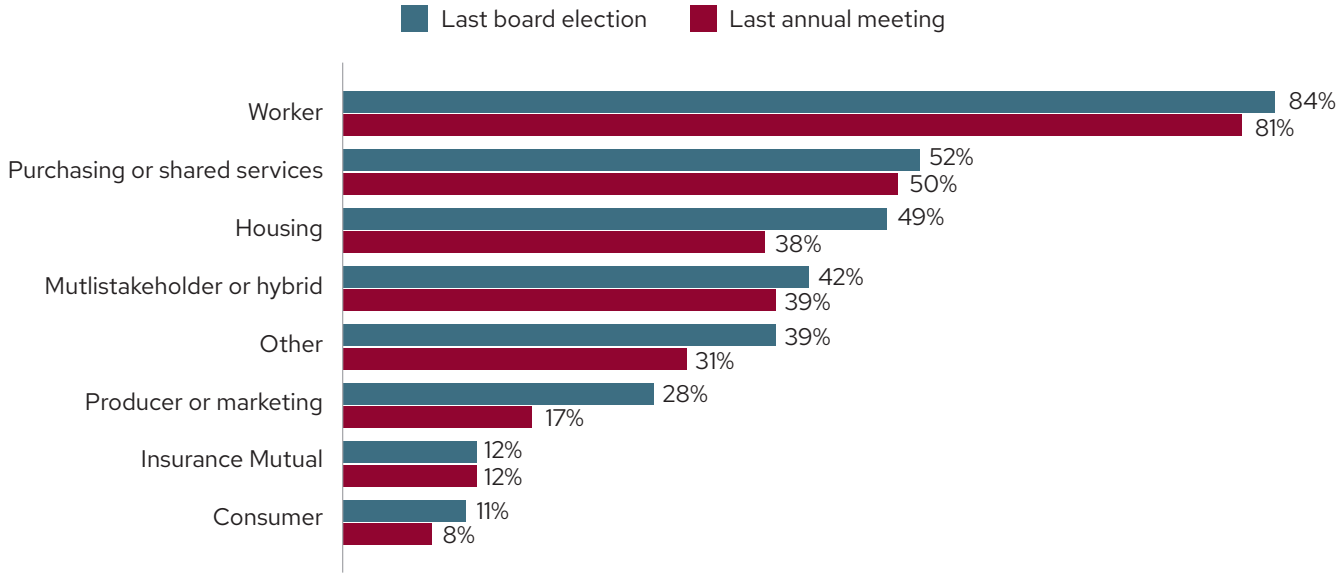
Overall, forty-eight percent of participating cooperatives allow members to attend board meetings. While a high proportion of housing, other types of, and multistakeholder/hybrid cooperatives reported this practice, their representation in the sample is relatively small (Figure 27). Member attendance at board meetings also appears to be common among consumer cooperatives, which make up a large portion of the sample.

Figure 27. Proportion of Participating Cooperatives That Allow Members to Attend Board Meetings



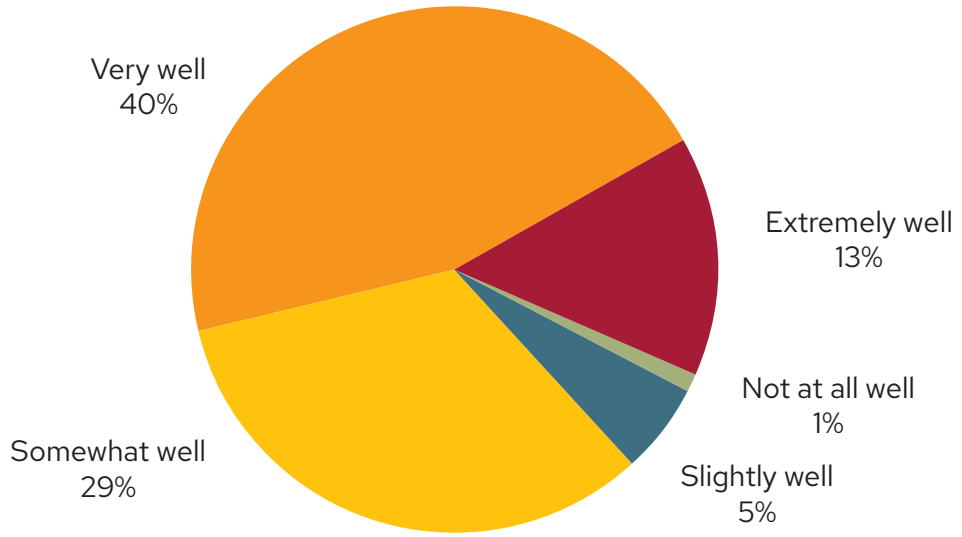
Member engagement in terms of turnout at the last board election and annual meeting is highest among worker cooperatives, followed by purchasing/shared services and housing cooperatives (Figure 28).

Figure 28. Average Member Turnout in the Last Board Election and Annual Meeting



Understanding members' needs is a key responsibility of the board of directors. More than half of participating cooperatives reported that their boards perform this task well, with 14 percent indicating it is done *extremely well* and 46 percent *very well* (Figure 29).

Figure 29. How Well Do Board Members Understand the Needs of Members?



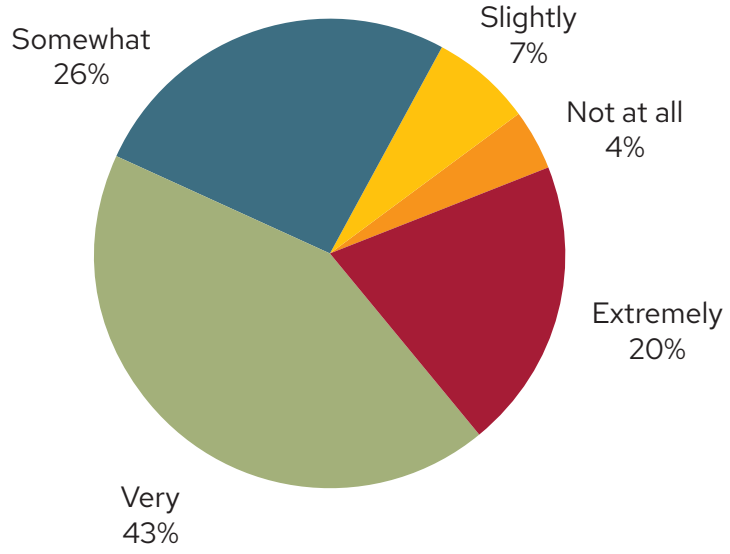
Board Effectiveness

Cooperative boards are elected to protect members' interests and support long-term organizational success. Having directors with relevant expertise, experience, and leadership qualities strengthens governance effectiveness. To evaluate these qualities, we assess board strategic composition along with directors' skills and experience, openness to dissenting views, and the social and interpersonal dynamics that shape board decision-making. However, we recognize that board effectiveness is a broad construct and these measures alone are not conclusive indicators.

Right Mix of People on the Board

Strategic board composition is critical because it ensures the board has the diverse expertise, perspectives, and experience necessary to effectively guide the cooperative's long-term vision, make informed decisions, and represent member interests. Reflecting this importance, sixty-three percent of participating cooperatives expressed confidence in having the right mix of directors to fulfill governance responsibilities, with 20 percent reporting they are *extremely* confident and 43 percent *very* confident (Figure 30).

Figure 30. How Confident Are You That the Board Has the Right Mix of People to Perform Its Governance Duties Effectively?



Directors' Skills and Expertise

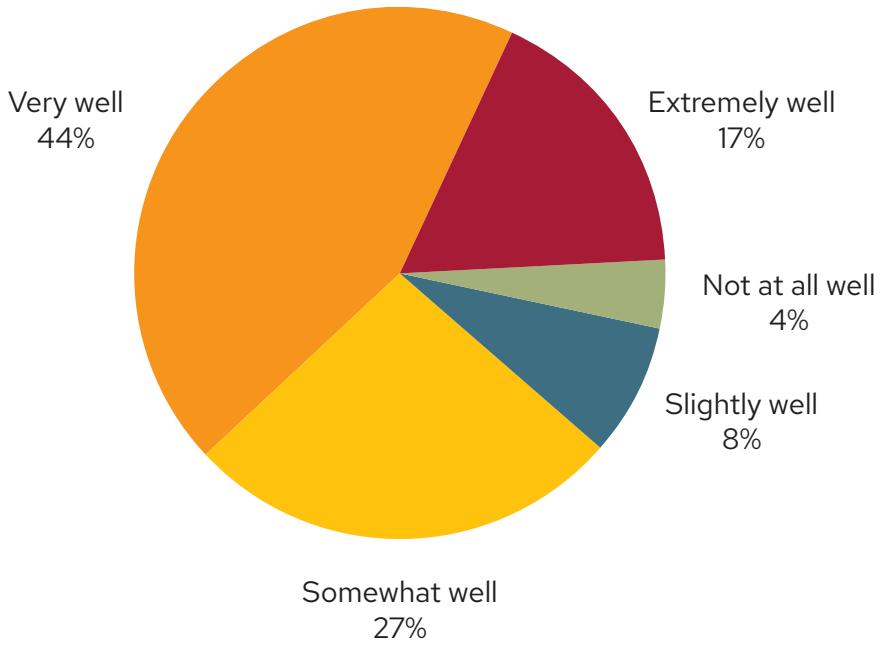
In the 2024 survey, we added new questions about directors' skills and expertise. As Figure 31 shows, most participating cooperatives felt that their board members have the skills and expertise to understand business information, evaluate business strategic development, and supervise managers.

Figure 31. Share of Participating Cooperatives That Feel the Majority of Board Members...

Healthy Dissent

Healthy dissent is an important indicator of board culture and how effectively board members collaborate. More than half of participating cooperatives reported their boards foster healthy dissent during meeting discussions *extremely* or *very well* (17 and 44 percent, respectively) (Figure 32).

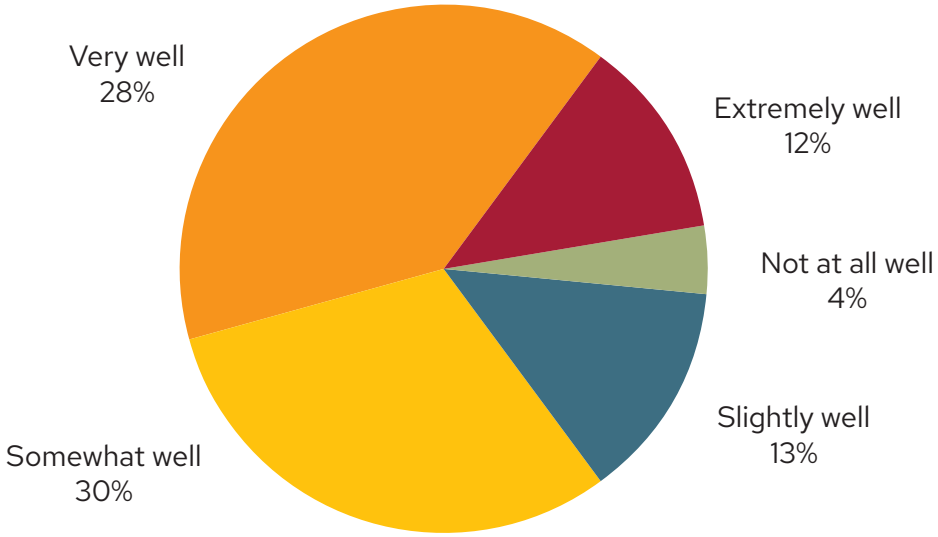
Figure 32. How Well Do Board Discussions Allow for Healthy Dissent?



Social and Interpersonal Dynamics

Social and interpersonal dynamics are another relevant measure of board member relationships, which can influence governance effectiveness. Slightly more than half of participating cooperatives reported that their board members build these dynamics *very* or *extremely well* (Figure 33).

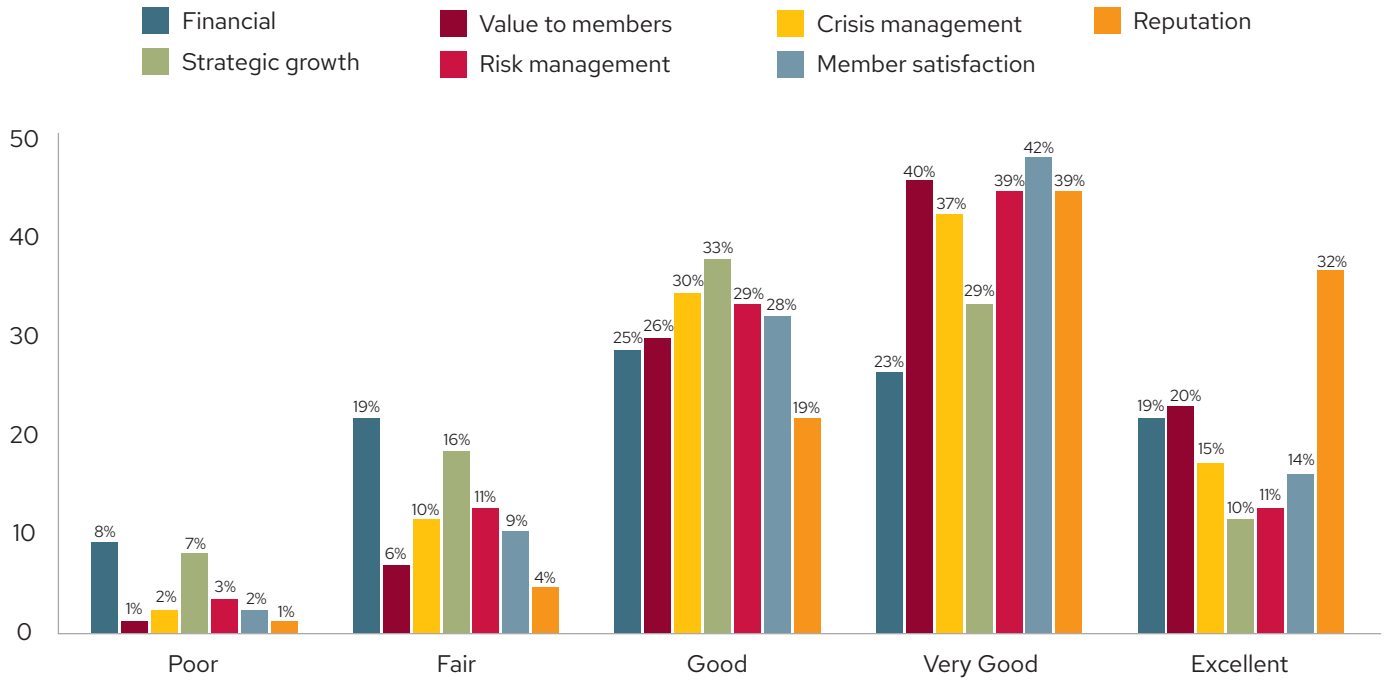
Figure 33. How Well Does the Board Build Social and Interpersonal Dynamics That Support It in Its Governance Effectiveness?



Cooperative Performance

Effective governance can promote organizational performance. Participating cooperatives were asked to rate their performance over the past 12 months in financial performance, delivering value to members, risk management, strategic growth, risk management, member satisfaction, and reputation. Overall, most participating cooperatives rated these measures relatively high based on the combined percentages of response ranging from *good* to *excellent* (Figure 34). The highest ratings were observed in *reputation*, *delivering value to members*, and *member satisfaction* (90, 86, and 84 percent, respectively).

Figure 34. Self-Rated Performance of Participating Cooperatives



CONCLUSION

The 2024 CGRI survey provides a rich dataset on cooperative governance practices across the United States. The findings highlight the inherent nuances and complexities of cooperative governance, stemming from its dual mandate to achieve economic viability while upholding democratic principles and member-centric values. The lack of standardized governance frameworks across sectors and industries exacerbates variability in structures, practices, and performance measures, making benchmarking and the identification of best practices challenging. While many cooperatives demonstrate strong governance systems, opportunities remain to enhance board evaluations, succession planning, and the frequency and transparency of contested elections.

We recognize that this study has limitations. For instance, the findings are primarily based on the perspectives from CEOs and board members, which may not fully reflect the views of cooperative members. Nonetheless, we hope the validated tools presented in this study will be useful in advancing cooperative governance.

As cooperatives continue to evolve, governance must adapt to reflect changing member needs, market conditions, and societal expectations. The CGRI research will continue to support this evolution by providing actionable insights, facilitating community learning, and promoting governance excellence across the cooperative sectors and typologies.