



DIVERSITY, EQUITY, AND INCLUSION TRENDS IN THE COOPERATIVE COMMUNITY

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CENTER FOR COOPERATIVES

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NCBA
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Finally, we thank everyone who completed the survey. The remarkable 39 percent participation rate not only provided solid data for this report but also indicated the importance of this work.



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EXECUTIVE SUMMARY

Cooperatives – enterprises owned and democratically controlled by the members who use their services – have been a strategy to build community power throughout U.S. history. Today's cooperatives are increasingly asking themselves how they can build on this legacy to address structural inequality. They often begin by adopting practices related to diversity, equity, and inclusion (DEI) that seek to expand the extent to which a cooperative's membership and leadership reflects and empowers the broader communities it serves.

What is the scope and prevalence of specific DEI practices across the cooperative community, and where are the most opportune areas to expand cooperatives' impact in this arena? This report summarizes findings from a survey that begins to answer these questions.

The *Diversity, Equity & Inclusion Trends in the Cooperative Community* survey is the first step in a new initiative of the National Cooperative Business Association CLUSA International (NCBA CLUSA) and the Cooperative Development Foundation. Made possible with generous support from the Robert Wood Johnson Foundation, NCBA CLUSA invited 364 cooperative members and supporters to participate in the spring of 2021. In total, 39 percent of these cooperatives representing various types, industries, and geographies completed the online questionnaire.

Both the participation rate and responses suggest that many NCBA CLUSA members are interested in these issues and actively adopting best practices related to DEI, democratic governance and empowerment, and the financial security and advancement of workers. Interventions targeting current and prospective employees are especially common. For example, the majority of survey respondents use recruitment strategies associated with increased representation of women and people of color in the workplace, offer benefits

that can help address gender and racial income gaps, and conduct engaging DEI training with the potential to address individual biases. The adoption of DEI practices targeting members, directors, and external stakeholders is relatively more mixed. For instance, while half of respondents actively encourage women and people of color to run for the board, relatively few have a purchasing policy that prioritizes contracts with vendors owned by historically marginalized groups.

Taken together, survey results lift up the potential of cooperatives to build community power by taking action both within and beyond existing employees and members. They also represent an encouraging point of departure for the next phase of the *Diversity, Equity & Inclusion Trends in the Cooperative Community* initiative: a peer learning cohort of 49 participants representing 41 cooperative organizations who have come together to strengthen their own work around DEI and advance the conversation throughout the cooperative community.

INTRODUCTION

ONE OF THE HARDEST PARTS OF THIS WORK IS KNOWING WHERE AND HOW TO BEGIN.

— Survey participant, April 2021

Historically, cooperatives have often been a strategy for marginalized communities in the United States to build community power. Urban residents have launched credit unions to make banking services accessible regardless of income

DIVERSITY IS THE REPRESENTATION OF ALL OUR VARIED IDENTITIES AND DIFFERENCES, COLLECTIVELY AND AS INDIVIDUALS.

EQUITY SEEKS TO ENSURE FAIR TREATMENT, EQUALITY OF OPPORTUNITY, AND FAIRNESS IN ACCESS TO INFORMATION AND RESOURCES FOR ALL.

INCLUSION BUILDS A CULTURE OF BELONGING BY ACTIVELY INVITING THE CONTRIBUTION AND PARTICIPATION OF ALL PEOPLE.

or immigration status.ⁱ Utility cooperatives have addressed market failures by bringing electricity and other crucial infrastructure to rural America.ⁱⁱ Black farmers have established agricultural cooperatives to counter racism with collective agency and resilience.ⁱⁱⁱ Cooperatives – enterprises that are owned and democratically controlled by the members who use their services – clearly have the potential to empower people impacted by structural inequality.

Today's cooperatives are increasingly asking themselves how

they can build on this legacy to expand their impact on women and people of color. They often begin by adopting practices related to diversity, equity, and inclusion (DEI). Although DEI interventions can be bundled together, diversity, equity, and inclusion are distinct concepts.^{iv}

According to the *ABCs of Co-op Impact* framework, diversity, equity, and inclusion are evident in the extent to which a cooperative's membership and leadership reflects the communities it serves and gives a voice and leadership opportunities to historically excluded communities and individuals.^v This follows from several features of cooperatives that distinguish them from conventional firms: cooperatives are organized for the mutual benefit of members who use their services, members democratically control their enterprise, and cooperatives have a principle of "concern for community" directing them to

conceptualize their stakeholders more broadly than members alone.

Diversity, Equity & Inclusion Trends in the Cooperative Community is a new NCBA CLUSA and Cooperative Development Foundation (CDF) initiative that seeks to catalyze and support cooperatives' efforts around DEI. With generous support from the Robert Wood Johnson Foundation, it was inspired in part by research on the prevalence and range of DEI practices within specific co-op sectors. Studies by groups like the Credit Union National Association (CUNA),^{vi} Filene Research Institute,^{vii} and National Co+op Grocers (NCG) suggest that some cooperatives are making important headway in this arena. They also highlight the need for DEI data across the cooperative community. In the spring of 2021, NCBA CLUSA responded to this need by conducting an online survey to map the scope and prevalence of specific DEI practices across cooperatives of different types and industries. This report summarizes key takeaways from the 140 cooperatives that participated.

An enthusiastic rate of participation in the survey (39 percent) and data about the practices and goals of participating cooperatives related to DEI, democratic governance and empowerment, and the financial security and advancement of workers suggest a high level of interest in these issues among NCBA CLUSA members and supporters. For instance:

- 76 percent described improving DEI as very or extremely important to their organization in the next five years;
- At least half have specific five-year organizational goals related to diversity, equity, and/or inclusion;
- 71 percent expressed interest in participating in the peer learning cohort.

We also find that interventions targeting current and prospective employees are prevalent among

cooperatives that participated in the survey. For example:

- Many use targeted recruitment strategies associated with increased representation of women and people of color in the workplace such as actively encouraging members of specific groups to apply for open positions (50 percent) or using language that is welcoming to candidates of different backgrounds in hiring communications (75 percent);
- The majority use strategies to support employee financial security that can help recruit and retain individuals from historically marginalized groups such as offering paid family leave beyond what is required by law (51 percent) and offering retirement savings programs (72 percent);
- 57 percent offer training on cultural awareness, unconscious bias, or related topics although many cooperatives could expand the impact of their DEI training on individual biases by increasing its intensity and incorporating it into a broader, ongoing organizational effort.

Finally, we find that the adoption of DEI practices targeting other stakeholders is relatively more mixed than those targeting employees. For instance:

- Less than 30 percent systematically track demographic data about members, and only 22 percent report back to members on the status of DEI initiatives;
- 51 percent actively encourage women and people of color to run for the board, but only 31 percent of those with DEI training make it mandatory for board members;
- 75 percent partner with other organizations building community power but only 15 percent have a purchasing policy that prioritizes contracts with vendors owned by historically marginalized groups.

These results provide opportunities for all cooperatives to benchmark their own DEI practices and identify areas for improvement. They also set the stage for the next phase of this project, a peer learning cohort to highlight and strengthen the diversity, equity, and inclusion work of cooperatives. By integrating the work of leading-edge practitioners and best DEI practices within particular industries and investigating regional and industry specific histories, this cohort aims to build a strong network of cooperative leaders who will be equipped to cast a vision for incorporating DEI practices in their own cooperatives.

THE ABCs OF COOPERATIVE IMPACT

The impact of cooperatives on social and economic opportunity should be evaluated on the following seven factors:

- A** **ccess:** A cooperative can increase access to affordable quality products, services, suppliers, and markets, lowering costs and serving markets and communities historically seen as “higher risk” or underserved.
- B** **usiness sustainability:** A cooperative business structure can increase firm survival and profitability through higher and less volatile revenues, lower costs, and a focus on long-term outcomes, including scaling the cooperative to compete with multinational corporations.
- C** **ommunity commitment:** A community-focused cooperative is committed to being a good neighbor through education, financial support, facility use, and business practices that reflect the values of the community.
- D** **emocratic governance and empowerment:** In a well-functioning cooperative, membership actively participates and shapes the mission and decisions of the organization, which translates into broader civic and political involvement.
- E** **quity, diversity, and inclusion:** To be an effective contributor to its community, cooperative membership reflects the community in racial composition, gender, age, and abilities, and historically excluded communities and individuals have a voice and leadership opportunities.
- F** **inancial security and advancement for workers:** Cooperatives work best for their members, employees, and communities when they provide living-wage jobs with benefits and increased opportunity for wealth building, career advancement, training, and leadership development with lower turnover and higher job satisfaction.
- G** **rowth:** Cooperatives can be local and regional anchors, promoting economic growth through stable jobs, high industry standards, consistent services, and economic multiplier effects through increased community investment, local jobs, and local procurement.

THE SURVEY

The *Diversity, Equity & Inclusion Trends in the Cooperative Community* survey invited a non-

OVERALL PARTICIPATION RATE OF 39 PERCENT.

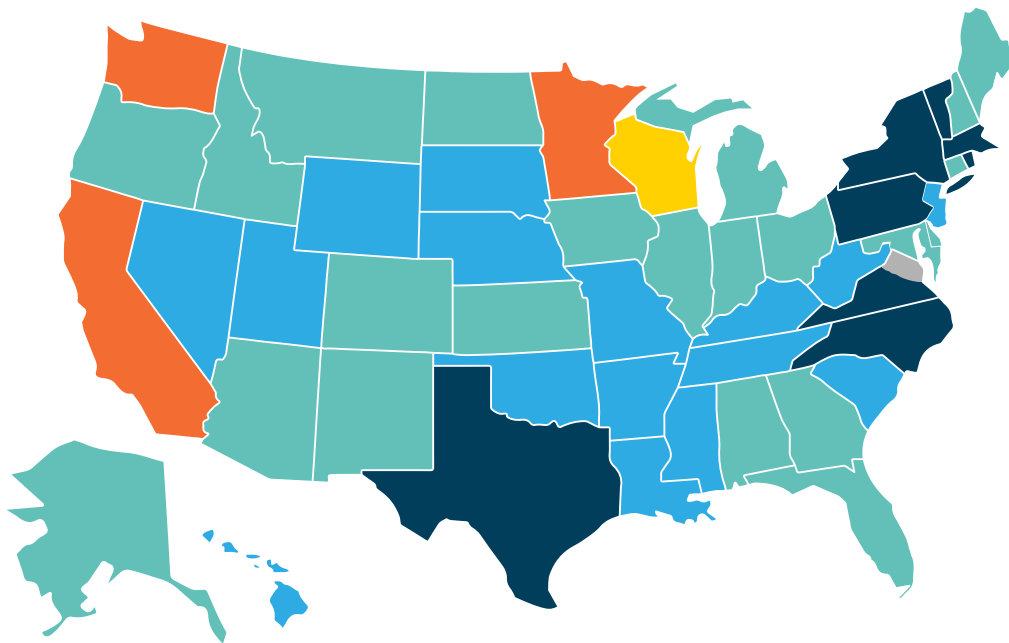
probability sample of cooperatives across the United States to reflect and report on their existing efforts related to three *ABCs of Co-op Impact*: (D)emocratic governance and empowerment; (E)quity, diversity, and inclusion; and the (F)inancial security and advancement of workers.

The [University of Wisconsin Center for Cooperatives](#) fielded the web-based survey from March to May 2021. The target population

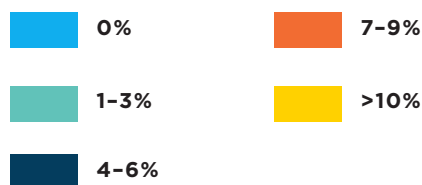
included 364 cooperatives that were members or supporters of NCBA CLUSA in January 2021. In total, 140 cooperatives completed a usable survey for an *overall participation rate of 39 percent*.

Participating cooperatives reflect substantial variation in terms of geography, organizational structure, size, and age. For example, survey respondents are headquartered in 33 different states and the District of Columbia (see Figure 1).^{viii} Forty percent have members located in a mix of urban, suburban, and rural areas; 33 percent serve mostly urban or suburban members and 27 percent serve mostly rural members.

FIGURE 1: SURVEY PARTICIPANTS BY STATE



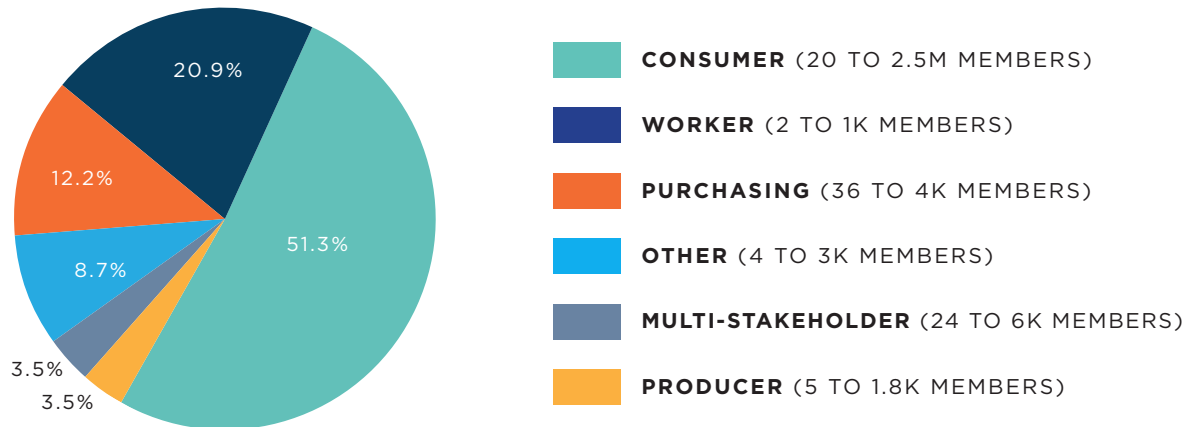
PERCENTAGE OF SURVEY PARTICIPANTS BY STATE



Almost a third of participating cooperatives were founded in the 1970s and about a quarter have been established since 2000. As Figure 2 shows, half of participating enterprises are organized as consumer cooperatives ranging in size from 20

to 2.5 million members with 2020 gross revenue between \$500,000 and \$49 billion. About 20 percent are worker cooperatives with between two and 1,000 worker-owners and up to \$4 million in gross actual wages and salaries.

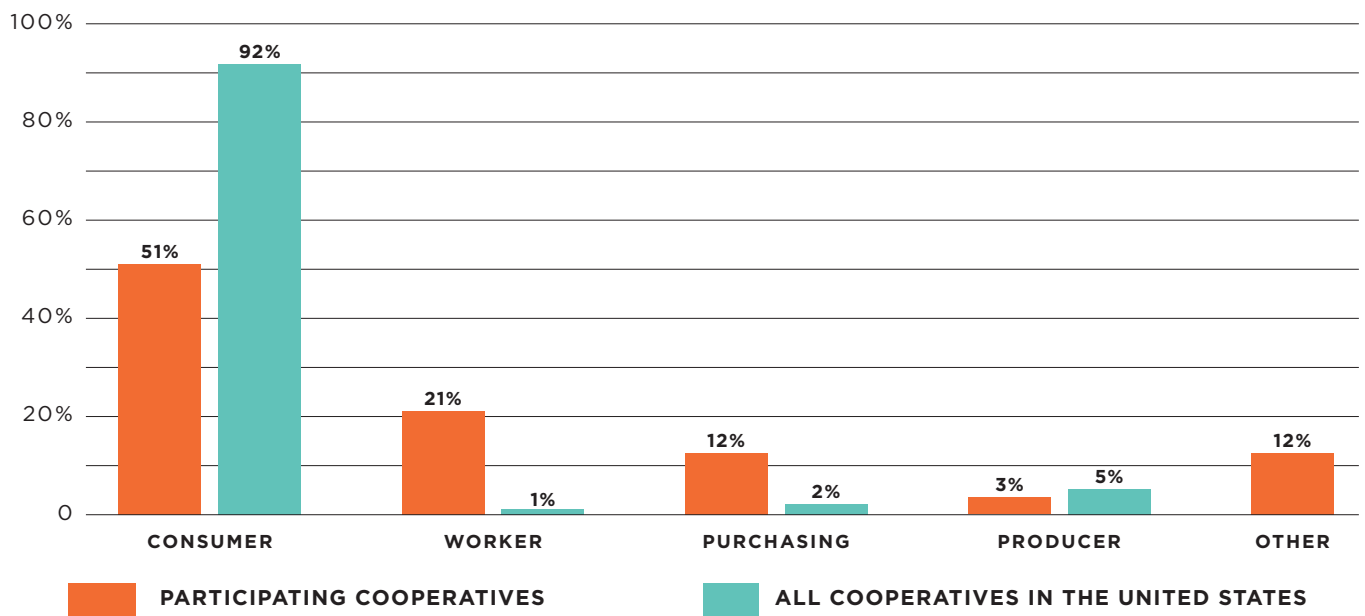
FIGURE 2: PARTICIPATING COOPERATIVES BY TYPE AND SIZE



Although survey findings provide some insight into the range of DEI practices among NCBA CLUSA members and supporters, they do not necessarily generalize to all cooperatives in the United States. For example, worker cooperatives

are overrepresented in our survey results relative to their presence in the national cooperative community (see Figure 3) due in part to the fact that worker cooperatives are disproportionately represented within NCBA CLUSA's membership.

FIGURE 3: SURVEY PARTICIPANTS VS. ALL U.S. COOPERATIVES BY TYPE

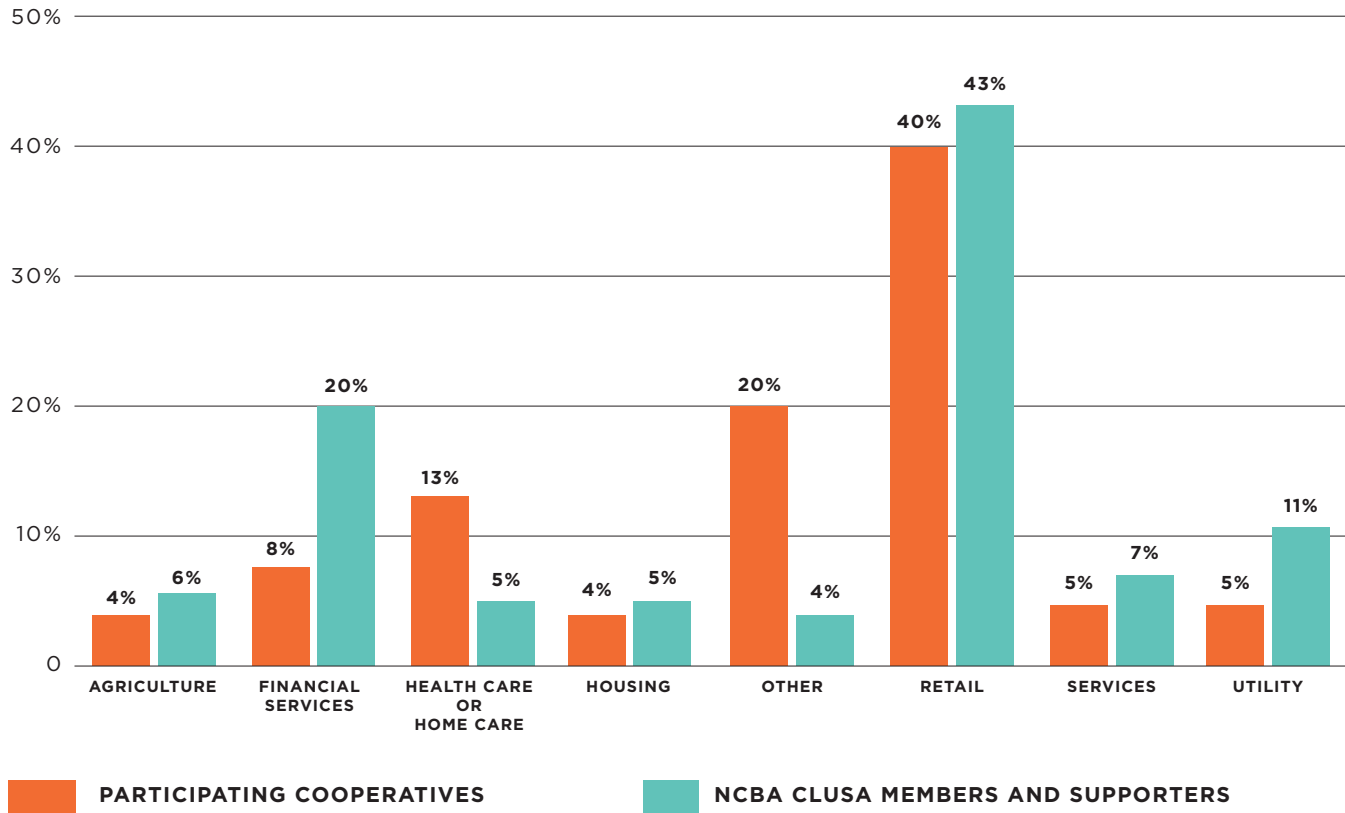


The most recent and reliable breakdown of U.S. cooperatives by type is based on an enterprise census conducted in 2006 by the University of Wisconsin Center for Cooperatives.^{ix} The study did not collect data on the multistakeholder, hybrid, and other types of cooperatives represented by the "Other" category above but discrepancies would persist even if all of them could be classified as consumer cooperatives.

Our analysis of nonresponse bias suggests that participating cooperatives do mirror NCBA CLUSA members and supporters in many respects. For example, as Figure 4 shows, 40 percent of participating cooperatives and 43 percent of all cooperatives invited to participate in the survey are from the retail sector (food cooperatives are a substantial portion of this group, representing about one-third of survey participants and cooperatives invited to participate, respectively). Healthcare or home care cooperatives are overrepresented in our data, representing 13

percent of survey respondents but only five percent of cooperatives invited to participate. In contrast, cooperatives in the utility and financial services sectors (including rural electric cooperatives, credit unions, and farm credit cooperatives) are relatively underrepresented among survey participants. Yet since industry is a good proxy for many other cooperative characteristics and nonresponse bias is limited to a few industries, this suggests that survey results can largely generalize to our target population of NCBA CLUSA members and supporters.

FIGURE 4: SURVEY PARTICIPANTS VS. COOPERATIVES INVITED TO PARTICIPATE BY INDUSTRY

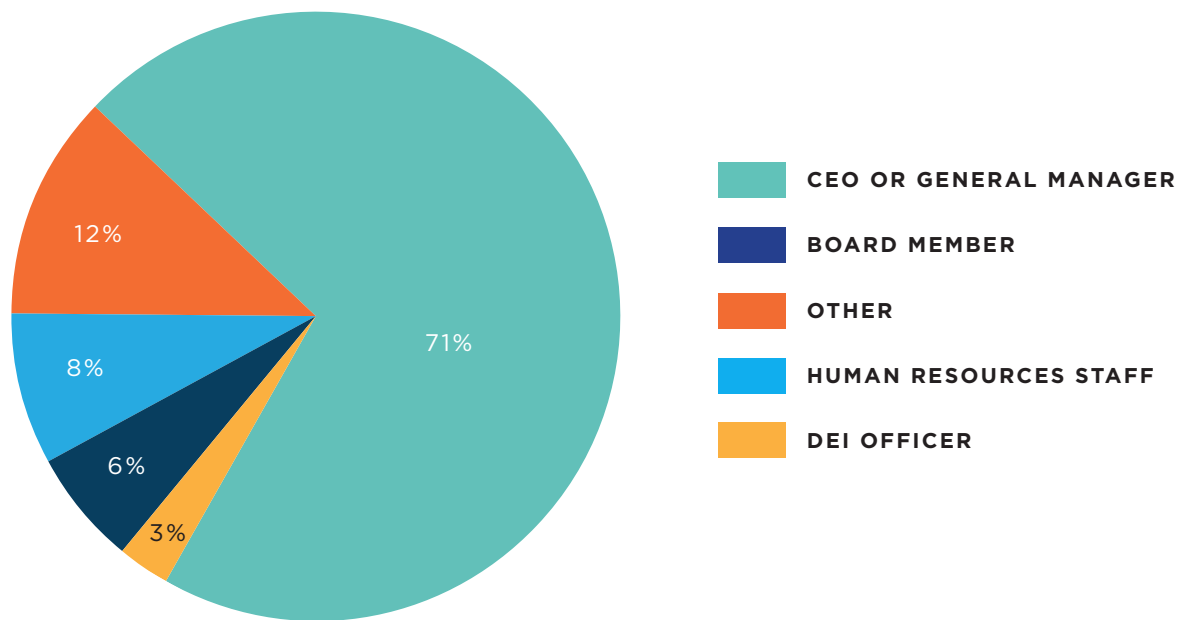


Other includes education or childcare, manufacturing, mutual insurance, transportation, and cooperatives in other industries.

NCBA CLUSA, CDF, and the University of Wisconsin Center for Cooperatives collaborated to develop the [questionnaire](#). We drew on background research about DEI in conventional firms, sector-specific DEI surveys, and best practices in survey research. Since we designed the survey to be completed by someone with the authority to answer questions about DEI on behalf of their cooperative, it focuses on DEI practices at the organizational level (behavioral measures) rather than individual

perspectives and experiences (attitudinal measures). Over two-thirds of participating cooperatives submitted surveys completed by a CEO or general manager; 11 percent of surveys were completed by a staff member dedicated to human resources or DEI. As such, these findings provide a point of departure for future studies that can capture the wide range of individual-level perspectives and experiences within cooperatives.

FIGURE 5: INDIVIDUAL SURVEY RESPONDENTS BY ROLE



KEY FINDINGS

PREVALENCE OF DEI PRACTICES TO ADDRESS INEQUALITY IN THE WORKPLACE

In a 2020 article, Quinetta Roberson, Eden King, and Mikki Hebl identified several types of common DEI interventions to address workplace inequality and argued that some have greater impacts than others.^x Although their evidence was based on conventional firms, we expect that many of these lessons are transferable to cooperatives' efforts to improve outcomes for current and prospective employees who identify as women and people of color. Below we explore the prevalence of common DEI practices most positively associated with gains for employees in historically marginalized groups among the 140 cooperatives that participated in the *Diversity, Equity & Inclusion Trends in the Cooperative Community* survey.

TARGETED HUMAN RESOURCE MANAGEMENT

A central goal of many DEI efforts in the workplace is to address inequality by increasing the representation of women and people of

color.^{xi} Previous studies suggest that specific goals and timetables in this arena are associated with reductions in employment discrimination.^{xii} Research also finds that recruitment, mentoring, and networking programs targeting specific groups are more likely to reduce workplace inequality than "identity-blind" practices, which do not take gender and race into account alongside objective performance measures.^{xiii} This implies that systematically tracking demographic data is a prerequisite for the kinds of targeted DEI practices associated with lower workplace inequality.

Overall, 60 percent of participating cooperatives track data about staff gender, 53 percent track data about staff race, and 21 percent track data about other characteristics such as age or education. The vast majority (78 percent) that track staff demographics do so in a way that allows individuals to self-identify.

Many participating cooperatives also use the kinds of targeted recruitment practices that have been shown to increase the representation of women and people of color in conventional

FIGURE 6: SHARE OF COOPERATIVES TRACKING STAFF DEMOGRAPHIC DATA

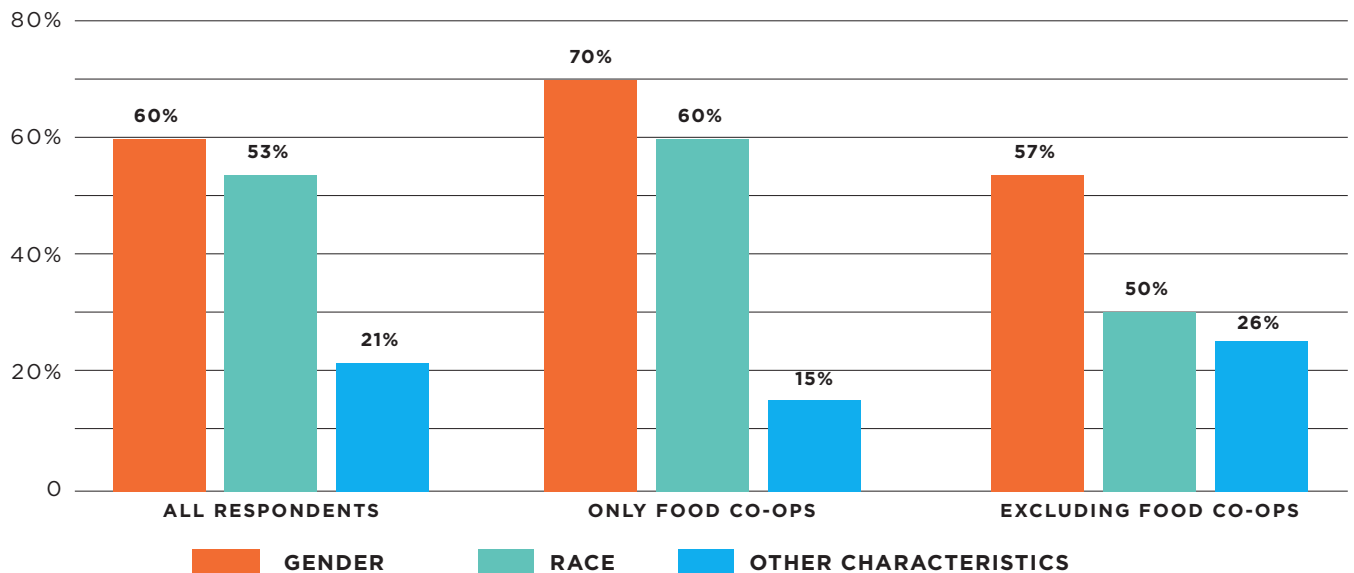
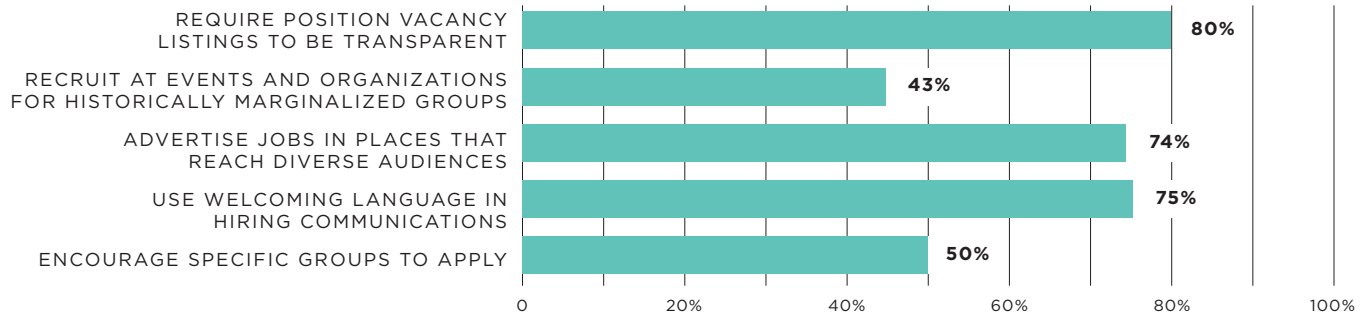


FIGURE 7: SHARE OF COOPERATIVES USING TARGETED RECRUITMENT PRACTICES

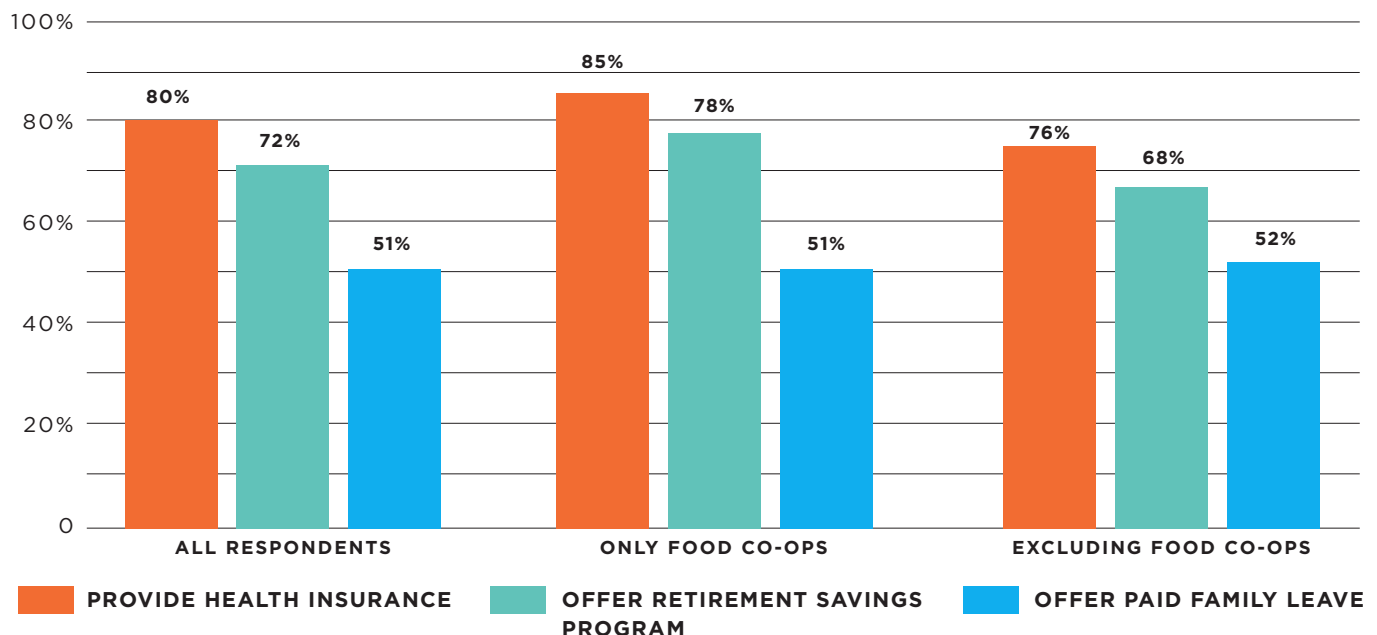


workplace settings. As Figure 7 shows, half of all participating cooperatives actively encourage members of specific groups to apply for open positions – and a few hire recruiters who specialize in diversifying applicant pools. Three quarters use language that is welcoming to candidates of different backgrounds in hiring communications and advertise job openings in places that reach diverse audiences, respectively. Almost half recruit at job fairs, educational institutions, or through organizations that attract members of historically marginalized groups such as Historically Black Colleges and Universities (HBCUs). The vast majority of participating cooperatives – and all but two participating food co-ops – have policies that position vacancy listings must specify skill requirements and be posted for current employees, a practice that enhances transparency in staff promotions.^{xiv}

According to Roberson et al., evidence on the impact of targeted professional development opportunities is more mixed than targeted recruitment: the benefits of mentoring programs and networking events for women and people of color vary substantially depending on characteristics of the workplace setting. Half of cooperatives that participated in the survey offer these types of programs.

Identifying the contextual factors that maximize the impact of targeted mentoring and networking programs in cooperatives is an important avenue for future research. For example, many studies in conventional firms suggest that building a culture of belonging by actively inviting the contribution and participation of all people – inclusivity – is essential for targeted recruitment and retention efforts to be successful. Only half of cooperatives

FIGURE 8: SHARE OF COOPERATIVES USING WORKER FINANCIAL SECURITY PRACTICES



that participated in our survey evaluate their culture of workforce inclusion through strategies like analyzing data from staff exit interviews, promotions, and compensation, suggesting that this area is opportune for growth.

Supporting employee financial security is another important strategy for workplaces to recruit and retain women and people of color – and to begin addressing gender and racial income gaps. About half of all participating cooperatives offer their employees paid family leave beyond what is required by law, 72 percent offer retirement savings programs, and 80 percent provide health insurance. These enterprises also offer a variety of other benefits with the potential to begin addressing racial and gender income gaps such as free financial counseling, credit union membership, interest free employee loans, and tuition reimbursement (see Figure 8).

DEI TRAINING

Training is one of the most common DEI interventions in conventional workplaces and prevalent among participating cooperatives: about two-thirds of food co-ops and half of other types of co-ops offer

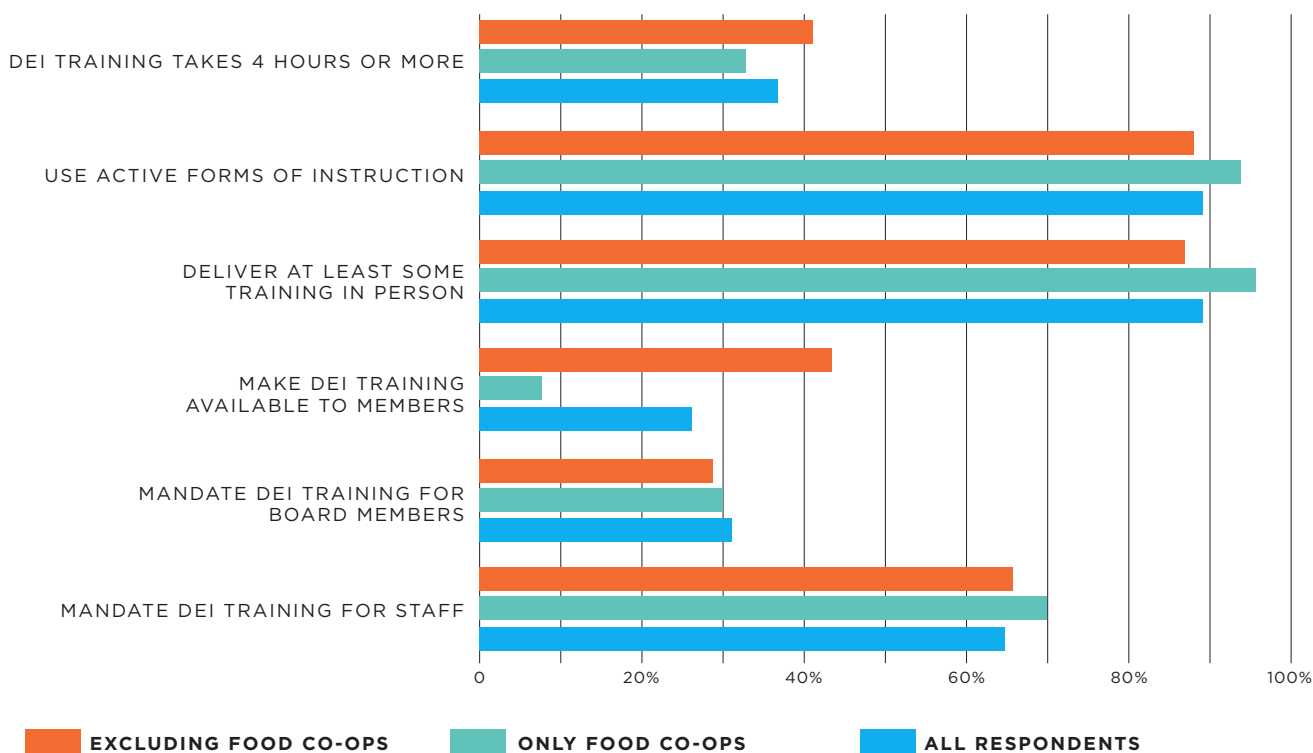
training on cultural awareness, unconscious bias, or related topics.¹ Yet Roberson et al. argue that training generally has a smaller impact on workplace inequality than individual biases and relationships between colleagues. They also propose that its effects vary greatly depending on training content, delivery, and connection to an organization’s larger DEI effort. Brief, passive, isolated events tend to be much less effective than rigorous, engaging DEI training that is part of an ongoing enterprise commitment to addressing workplace inequality. As Figure 9 shows, implementation of these best practices is uneven among participating cooperatives.

Overall, the vast majority (89 percent) of participating cooperatives offering DEI training deliver at least some portion in person² and use active forms of instruction such as simulations and discussions, respectively. Yet only about one-third of these cooperatives offer intensive DEI training that takes four hours or more. And while about two-thirds of participating cooperatives that offer DEI training

1 Overall, 57 percent of participating cooperatives offer DEI training.

2 Overall, 78 percent of participating cooperatives deliver DEI training using a mix of online and in-person methods. We suspect that in-person trainings would have been more common if not for the COVID-19 pandemic.

FIGURE 9: SHARE OF COOPERATIVES USING BEST PRACTICES IN THEIR DEI TRAINING



make it mandatory for staff, only about one-third make it mandatory for board members. DEI training is rarely offered to cooperative members except in worker and purchasing co-ops. These findings underscore the importance of taking a broader view of what an organizational commitment to DEI means in the context of cooperatives.

PREVALENCE OF DEI PRACTICES FOR COOPERATIVE BOARDS, MEMBERS, AND THE BROADER COMMUNITY

Although Roberson et al. provide important insight into the efficacy of interventions intended to address inequality in the workplace, cooperatives are distinct from conventional firms in several key ways. First, cooperatives are organized for the mutual benefit of members who use their services. Second, members democratically control their enterprise either directly or through an elected board of directors. Third, cooperatives’ principle of “concern for community” means that they should conceptualize their stakeholders more broadly than members alone. Taken together, this implies that DEI in cooperatives is not only about internal practices targeting employees but also about the extent to which a cooperative’s membership and leadership reflects and empowers the broader communities it serves.

MAKING AN ORGANIZATIONAL COMMITMENT TO DEI

One early step for many cooperatives exploring an organizational commitment to DEI is hiring a consultant or dedicated staffer. As Figure 10 shows, hiring a DEI consultant is much more common than hiring a full-time DEI position, especially among food co-ops.

Some cooperatives also create a committee focused on DEI either in lieu of or addition to consultants and staff. One-third of participating cooperatives have such a committee. In most cases, representatives primarily include staff and board members.

Among other things, DEI consultants, staffers and committees often support targeted recruitment strategies to increase diversity on cooperative boards. About half of participating cooperatives report that they actively encourage members of specific groups to run for the board. About one-third advertise board service opportunities in places that reach diverse audiences and recruit members of historically marginalized groups for leadership development programs, respectively.

Many cooperatives also adopt a formal statement explicitly connecting the dots between their mission

FIGURE 10: SHARE OF COOPERATIVES HIRING DEI CONSULTANTS OR STAFFERS

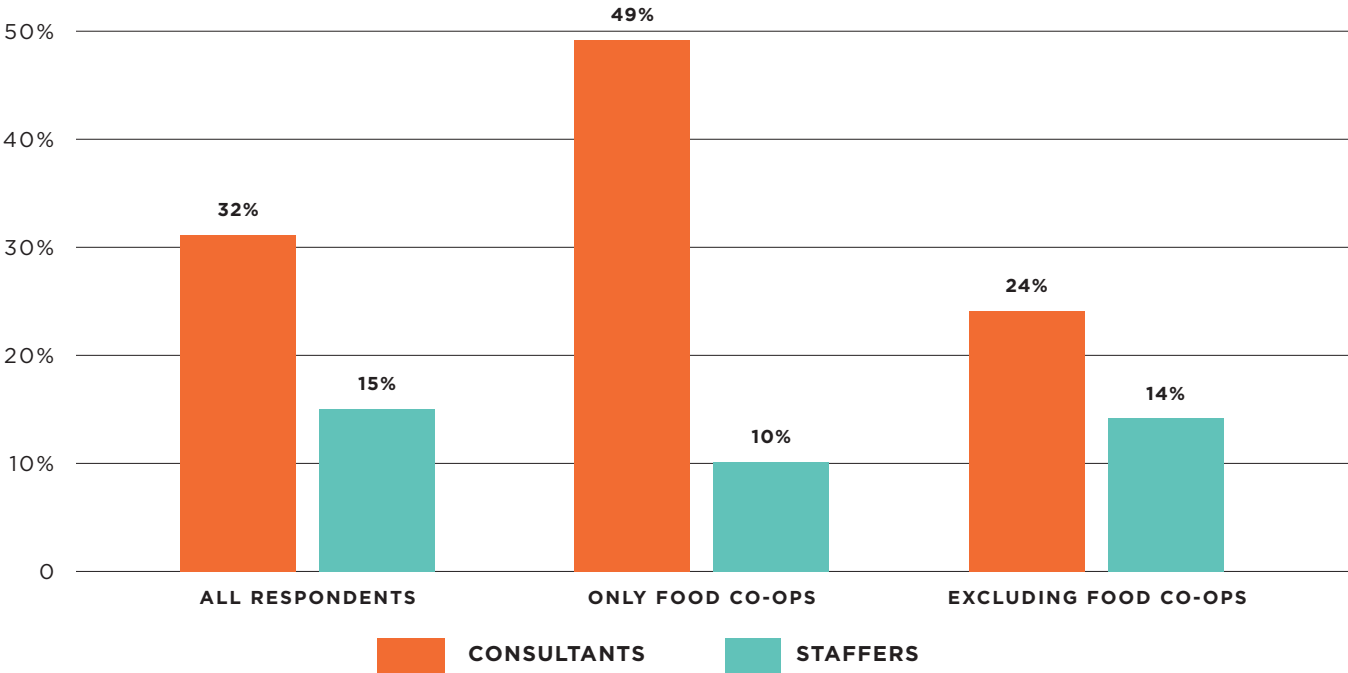
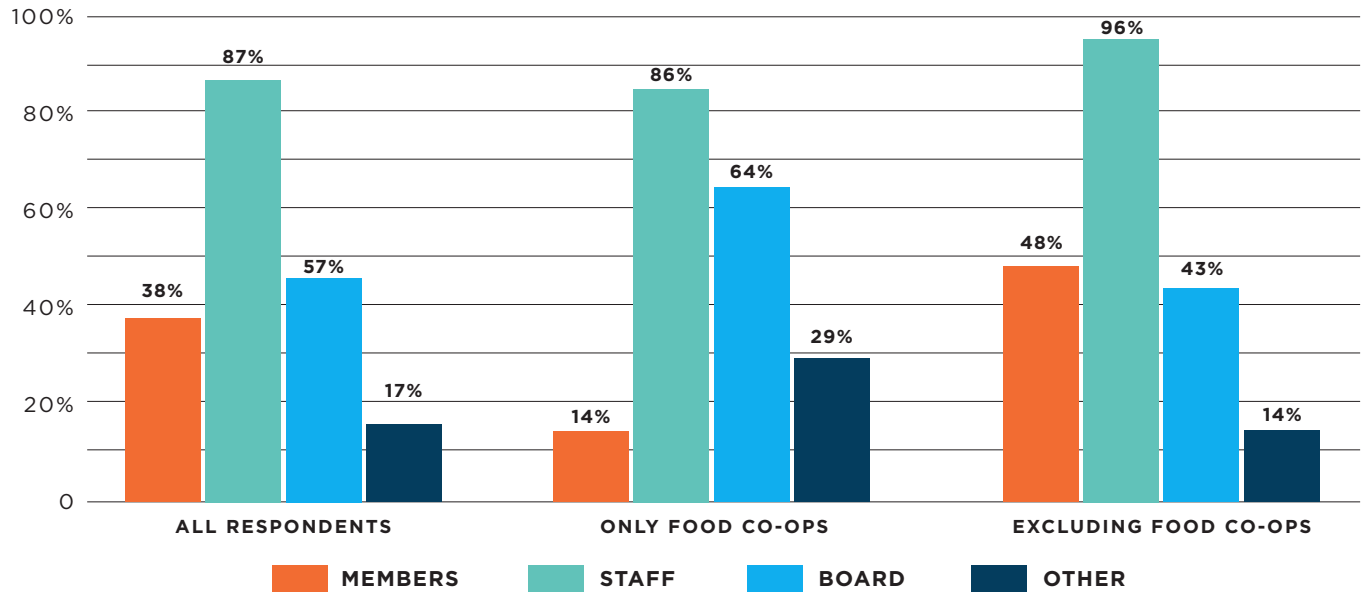


FIGURE 11: WHO SERVES ON COOPERATIVE DEI COMMITTEES?



Among the 46 participating cooperatives with a DEI committee, staff serve on these bodies at the highest rates. Board members and other representatives such as community partners serve on DEI committees in food co-ops at relatively higher rates than in other types of co-ops, where member representation is more common.

and diversity, equity, and inclusion. Overall, about a quarter of cooperatives that participated in the survey have taken this step. DEI statements come in many forms.

The process of developing these types of statements provides an important point of

departure for cooperatives to engage in conversations about DEI with existing stakeholders – and to identify people and organizations in the broader community who have not yet been offered a seat at the table.

SAMPLE OF DEI STATEMENTS FROM SURVEY PARTICIPANTS:

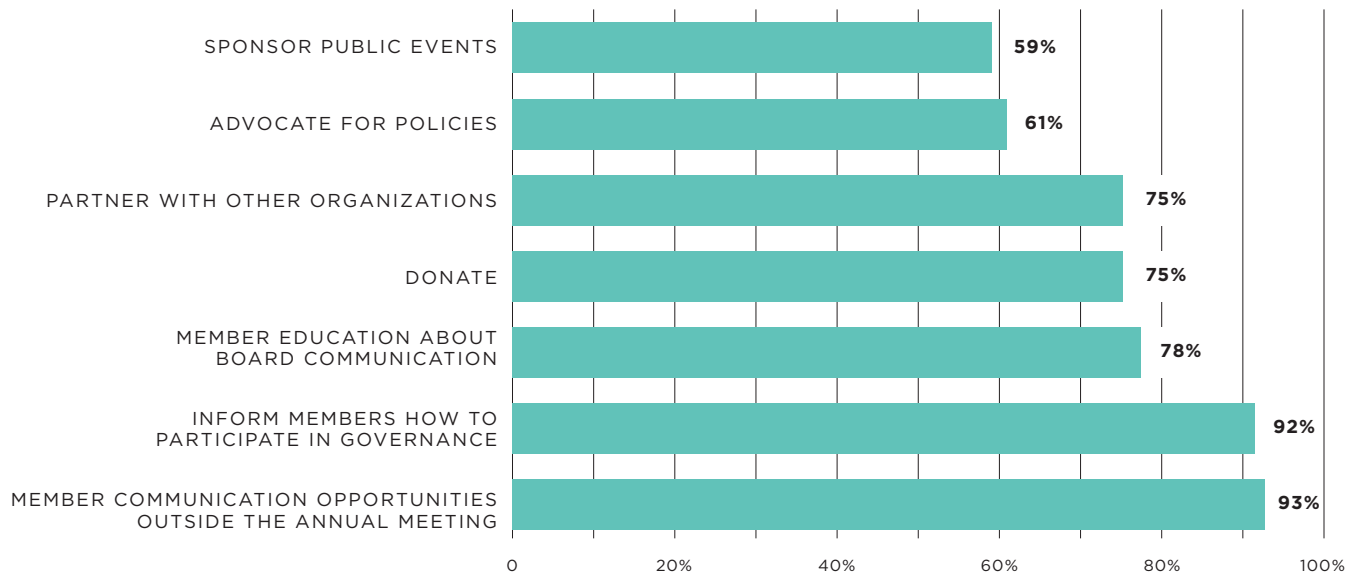
- “As part of our Shared Values document which all board members must agree to, [we list] shared democratic wealth, unity without uniformity, and solidarity along with the seven internationally recognized cooperative principles.³”
- “We are committed to fostering and preserving a culture that celebrates our differences in an environment that promotes belonging and well-being. We believe embracing our unique experiences, perspectives, characteristics, affiliations,

intellect, and capabilities makes us stronger, more innovative, and better able to serve every Member with care and empathy.”

- “At [cooperative], diversity and inclusion are at the core of our organization. Together, our focus is to build and foster a space alive with undeniable differences; an inclusive culture where every person is encouraged to bring their gifts to the table and influence the work environment in which they thrive. These base principles allow a deeper, enhanced connection with each other, our members and our community as we fulfill our vision to maximize the success of [our cooperative].”

³ Read more about the seven cooperative principles at <https://ncbaclusa.coop/resources/7-cooperative-principles/>.

FIGURE 12: SHARE OF COOPERATIVES USING PRACTICES TO BUILD POWER WITHIN AND BEYOND EXISTING MEMBERS



BUILDING COMMUNITY POWER

Several practices related to democratic collective action among existing cooperative members are prevalent among survey participants. For example, the vast majority (92 percent) provide all members information about how to participate in co-op governance. Seventy-eight percent educate members about how to communicate with the board and 93 percent provide ways for members to communicate their concerns outside the annual meeting.

Practices that support community power building beyond cooperatives' direct membership base, however, are relatively less common.

THE ROBERT WOOD JOHNSON FOUNDATION USES THE FRAMEWORK OF COMMUNITY POWER AND DESCRIBES IT LIKE THIS:

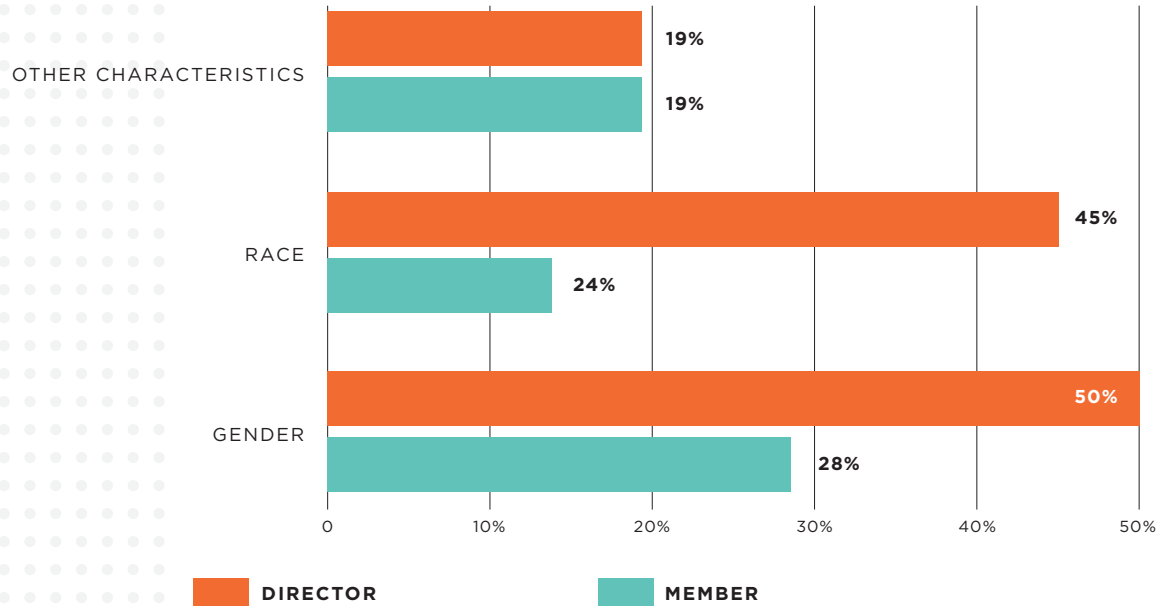
“THE ABILITY OF COMMUNITIES MOST IMPACTED BY STRUCTURAL INEQUITY TO DEVELOP, SUSTAIN, AND GROW AN ORGANIZED BASE OF PEOPLE WHO ACT TOGETHER THROUGH DEMOCRATIC STRUCTURES TO SET AGENDAS, SHIFT PUBLIC DISCOURSE, INFLUENCE WHO MAKES DECISIONS, AND CULTIVATE ONGOING RELATIONSHIPS OF MUTUAL ACCOUNTABILITY WITH DECISION-MAKERS THAT CHANGE SYSTEMS AND ADVANCE HEALTH EQUITY.”^{xv}

Overall, three-fourths of cooperatives that participated in the survey donate to community power building efforts and partner with other organizations building community power, respectively, and about 60 percent advocate for policies to build community power. Only 15 percent of respondents have a purchasing policy that prioritizes contracts with vendors owned by historically marginalized groups. Expanding the prevalence of these practices represents a clear opportunity to leverage the cooperative business model to build a more inclusive economy.

ACCOUNTABILITY AND TRANSPARENCY PRACTICES

Ultimately, organizational accountability structures are crucial for transparency and achieving stated DEI goals.^{xvi} For example, systematically tracking demographic data of all stakeholders is necessary to assess the extent to which a cooperative's membership and leadership reflects the communities it serves. About half of participating cooperatives track director gender and race. Tracking member demographics is much less common, however – a striking finding given that only 22 percent of cooperatives that participated in the survey described their membership as “very” or “extremely” diverse in terms of race and ethnicity.

FIGURE 13: SHARE OF COOPERATIVES TRACKING MEMBER AND DEMOGRAPHIC DATA

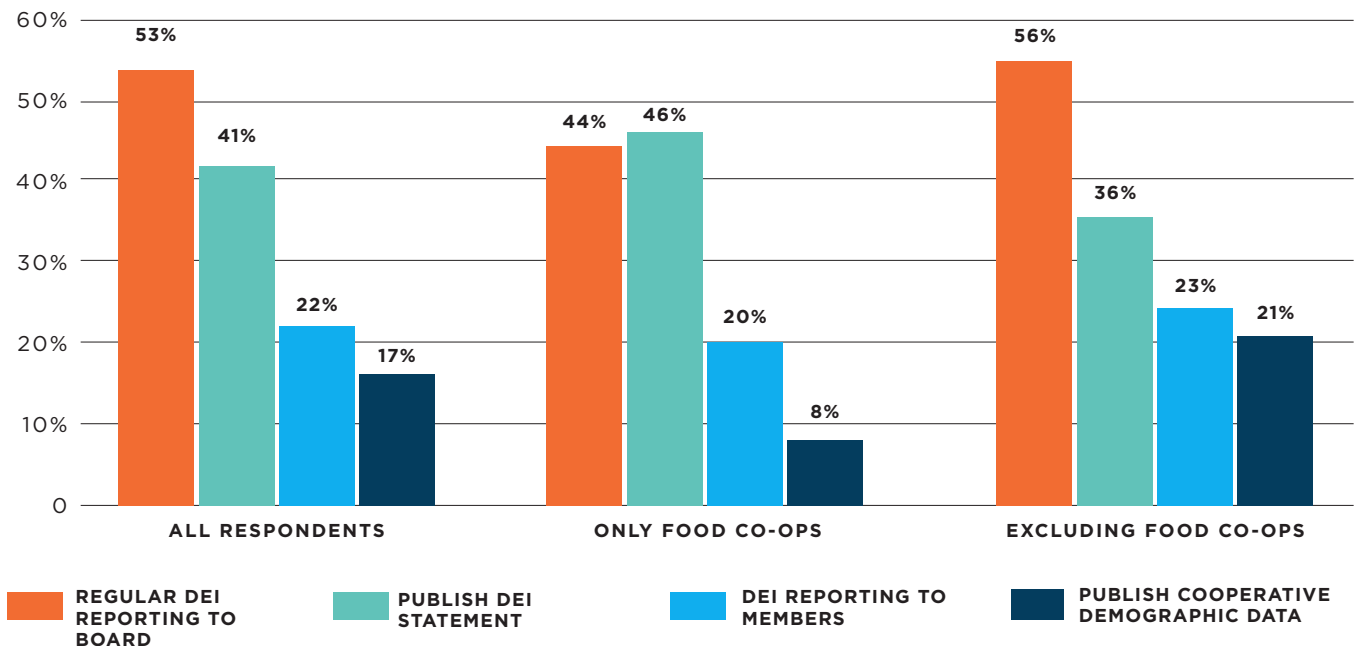


Half of participating cooperatives have regular reporting on the status of DEI initiatives to the board. Only 22 percent, however, report back to members on the status of DEI goals and how progress is evaluated. Although almost half of food co-ops – and a third of other types of co-ops – make their DEI statement available to the public, only 17 percent publish information on the demographics of staff or board members. This practice is especially rare among participating

food cooperatives, of which only 8 percent publish information on the demographics of staff or board members compared to 21 percent of other types of cooperatives.

Taken together, survey results suggest that many cooperatives have opportunities to expand their DEI interventions beyond staff and board members in ways that better engage both members and the broader communities they serve.

FIGURE 14: SHARE OF COOPERATIVES USING ORGANIZATIONAL ACCOUNTABILITY PRACTICES



LOOKING FORWARD

Overall, three-fourths of participating cooperatives described improving DEI as very or extremely important to their organization in the next five years. About half have specific five-year goals related to diversity and equity, respectively; 64 percent have specific organizational goals related to inclusion. As Figure 15 shows, the most common types of goals were inward facing such as increasing staff and board diversity and expanding education about DEI within the cooperative. A large majority of respondents (78 percent) also have goals about actively supporting groups and policies building community power.

About two-thirds of participating cooperatives with specific organizational DEI goals have incorporated them into their strategic plan.

PEER LEARNING COHORT

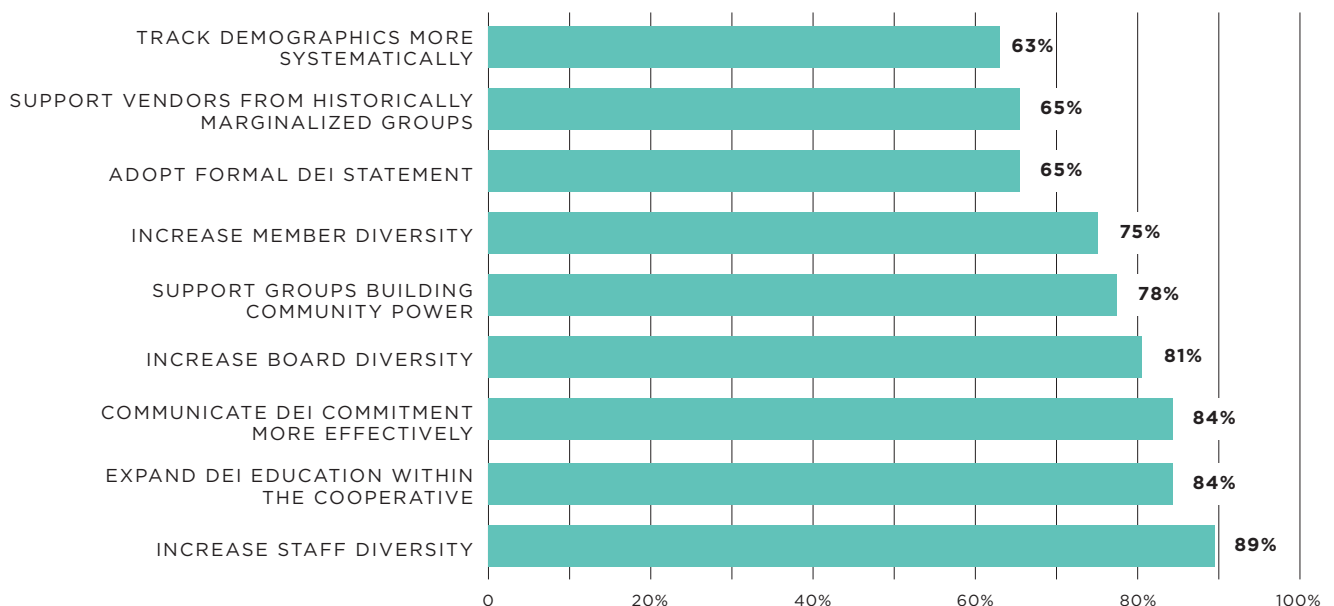
The next step in the *Diversity, Equity & Inclusion Trends in the Cooperative Community* initiative is convening a peer learning cohort that equips leaders with frameworks and tools to incorporate best DEI practices within their cooperatives

through facilitated peer-to-peer feedback, group discussion, and individual writing/reflection. In total, 100 cooperatives that completed the survey indicated interest in participating (almost two-thirds of this group was “very” or “extremely” interested). NCBA CLUSA’s goal was to establish a cohort of 41 cooperatives but ultimately recruited 49.

The peer learning cohort’s first online meeting took place on July 29. Through facilitated peer-to-peer feedback, group discussion, and individual writing/reflection, this cohort seeks to equip participants with frameworks and tools to incorporate best DEI practices into their cooperative and works to situate the significance of that DEI work within a broader vision of the cooperative’s role in advancing power-building, and social and economic equity among low-income communities and communities of color.

The group will continue to meet until June 2022 and then convene at the Cooperative IMPACT Conference in October 2022 to share lessons learned and a framework for expanding inclusion within cooperatives and the communities in which they serve.

FIGURE 15: SHARE OF COOPERATIVES WITH SPECIFIC 5-YEAR GOALS



POTENTIAL STRATEGIES

BY DOUG O'BRIEN, PRESIDENT & CEO
THE NATIONAL COOPERATIVE BUSINESS
ASSOCIATION CLUSA INTERNATIONAL
(NCBA CLUSA)

Successful DEI initiatives require an ongoing 360-degree commitment to representation of all our varied identities and differences; fair treatment and equality of opportunity; and a culture of belonging that actively invites the contribution and participation of all people. The following potential strategies can be used to operationalize the cooperative values of equality, equity, and solidarity.

MAKE YOUR INTENTIONS KNOWN

- Adopt a formal board statement that relates your cooperative's mission and vision to diversity, equity, and inclusions goals.
- Publicize your statement with employees and members.

LISTEN AND LEARN

- Engage a consultant, designate a DEI officer and/or appoint a DEI Committee to implement DEI interventions at the board, staff, member, and community levels.
- Target training and professional development to the needs of specific gender and racial groups. Targeted practices are more likely to reduce workplace inequality than "identity-blind" ones.
- Increase the duration and frequency of DEI training.
- Make DEI training mandatory for board members.
- Provide DEI training opportunities for members of consumer cooperatives.
- Examine the influences and biases that have shaped the cultural norms of the co-op over time and consider whether and how these norms are in alignment with launching successful DEI efforts.

EXPAND TRANSPARENCY IN BOARD/STAFF RECRUITMENT

- Recruit staff and board members that reflect the community.
- Actively encourage members of specific groups to apply for open positions.
- Promote transparency in staff promotions by requiring that all job listings include specific skill requirements and are posted for current employees.
- Advertise job openings in places that reach diverse audiences using language that is welcoming to candidates of different backgrounds.

TRACK AND REPORT

- Systematically track demographic data of members in addition to staff and board members in ways that allow individuals to self-identify.
- Analyze data from staff exit interviews, promotions, and compensation to look for growth opportunities.
- Report on your progress to the board, employees, and members.

MAKE YOUR COMMITMENT REAL IN THE COMMUNITY

- Establish purchasing policies that prioritize contracts with vendors owned by women and people of color.
- Support community power building efforts and partner with other organizations building community power.

METHODOLOGICAL APPENDIX

RESEARCH TEAM

Dr. Laura Hanson Schlachter of the University of Wisconsin Center for Cooperatives (UWCC) served as lead researcher for this survey, which the Center conducted on behalf of NCBA CLUSA and CDF with support from a generous grant from the Robert Wood Johnson Foundation.

INSTRUMENT DESIGN

Developing the questionnaire was an iterative process informed by background research about DEI in conventional firms, recent DEI surveys of credit unions and food co-ops, and best practices in survey research. The research team also solicited feedback from experts in the field and conducted a pretest with leaders of three cooperatives that were not invited to participate in the survey. The full survey instrument is available at <https://ncbaclusa.coop/diversity-equity-inclusion-trends-in-the-cooperative-community/>. UWCC administered the web-based survey using Qualtrics.

SAMPLING STRATEGY

The survey used a national non-probability sample of cooperatives in the United States. The research team created a sampling frame of 364 U.S. cooperatives in the NCBA CLUSA and CDF databases that were members of NCBA CLUSA as of January 2021, participated in NCBA CLUSA events in 2019-20, donated to CDF in 2018-21, and/or participated in the National Home Care Cooperative Conference in 2015-21. The list included the name and email for an individual point of contact associated with each firm, in most cases the CEO, president, general manager, or board chair. All cooperatives in the sampling frame were eligible and invited to participate. The cover letter specified that the CEO, general manager, DEI officer, or another person with the authority to answer questions related to diversity, equity,

and inclusion on behalf of the cooperative should complete the survey.

RECRUITMENT

NCBA CLUSA disseminated an advance letter, invitation to participate, and two reminders by email between March 4 and 25. The research team accepted responses until May 17. Incentives included one free admission to the 2021 Co-op IMPACT Conference valued at \$75. NCBA CLUSA staff conducted approximately eight hours of conversion calls to 200 respondents between March 18 and 30.

PARTICIPATION RATE

In total, 140 cooperatives completed a usable survey for an overall participation rate of 39 percent.

Seventy-one percent of individual survey respondents were cooperative CEOs or general managers. Seven were members of the board of directors, nine were human resources staff, and fourteen had another type of role. Only three cooperatives submitted surveys completed by a diversity, equity, and inclusion officer.

NON-PROBABILITY DISCLOSURE

The data have not been weighted to reflect the composition of all cooperatives in the U.S. Since the sample is based on firms that initially self-selected into the sampling frame by virtue of their membership or involvement in NCBA CLUSA and/or CDF rather than a probability sample, no estimates of sampling error can be calculated. All sample surveys may be subject to multiple sources of error including but not limited to sampling error, coverage error, and measurement error.

For example, healthcare or home care cooperatives are overrepresented in our data, representing 13

percent of survey respondents but only five percent of cooperatives invited to participate. In contrast, cooperatives in the utility and financial services sectors (including rural electric cooperatives, credit unions, and farm credit cooperatives) are relatively underrepresented among survey participants.

CONTACT INFORMATION

Please contact Laura Hanson Schlachter, Researcher at the University of Wisconsin Center for Cooperatives, at lhanson4@wisc.edu or (608) 261-1355 with any additional methodological questions.

ENDNOTES

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- iv Quinetta Roberson, "Diversity in the Workplace: A Review, Synthesis, and Future Research Agenda," *Annual Review of Organizational Psychology and Organizational Behavior* 6 (2019): 69–88.
- v Brett Theodos, Corianne Payton Scally, and Leiha Edmonds, "The ABCs of Co-Op Impact" (The Urban Institute, December 2018), <https://ncbaclusa.coop/content/uploads/2021/06/ABCs-of-Impact-FINAL.pdf>.
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- vii Quinetta Roberson, "Is There a Business Case for DEI Practices?," *Filene Research Institute* (blog), August 18, 2021, <https://filene.org/blog/is-there-a-business-case-for-dei-practices>.
- viii The survey was open to cooperatives with operations in the United States. One respondent is headquartered in Canada.
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- xv Lead Local, "Lead Local Glossary: Community Power," accessed September 2, 2021, <https://www.lead-local.org/glossary>.
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ABOUT THE PARTNERS



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Founded in 1962, the University of Wisconsin Center for Cooperatives (UWCC) is a trusted and unbiased voice on the cooperative business model serving the needs of cooperatives in Wisconsin and beyond. With a strong public service orientation and access to world-class university resources, UWCC leverages research,

education, and outreach capabilities to foster critical thinking and understanding about cooperatives. As the only U.S. university-based center that studies and supports all forms of cooperative business, UWCC provides valued education and research to a diverse range of business communities.



Cooperative Development Foundation (CDF)
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The Cooperative Development Foundation is a 501(c)(3) non-profit foundation headquartered in Washington, DC that promotes and develops cooperatives to improve economic opportunities for all. CDF is a thought leader in the use of cooperatives to create resilient communities, including the housing and care needs of seniors. Through its funds, fiscal sponsorships and

fundraising, CDF provides grants and loans that foster cooperative development domestically and abroad. CDF facilitates the Cooperative Hall of Fame induction ceremony, recognizing the accomplishments of outstanding cooperative leaders at the National Press Club in Washington DC each year.



National Cooperative Business Association CLUSA International (NCBA CLUSA)
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The National Cooperative Business Association CLUSA International (NCBA CLUSA) is the apex association for cooperative businesses in the United States and an international development organization. Founded in 1916, NCBA CLUSA strives to advance, promote and protect cooperative enterprises through cross-sector advocacy, education and public awareness that help co-ops thrive, highlighting the impact that cooperatives have in bettering the lives of

individuals and families. Internationally, NCBA CLUSA has worked in over 100 countries building sustainable communities, creating economic opportunities and strengthening cooperatives. Our work focuses on an approach that empowers smallholder farmers, women, and youth in the areas of food security, agricultural development, strengthening of communities and farmer organizations, community-based health and natural resources management.

7 COOPERATIVE PRINCIPLES

VOLUNTARY AND OPEN MEMBERSHIP

Anyone can join a co-op—they don't discriminate based on gender, social, racial, political or religious factors.

DEMOCRATIC MEMBER CONTROL

Members control their business by deciding how it's run and who leads it.

MEMBERS' ECONOMIC PARTICIPATION

All co-op members invest in their cooperative. This means people, not shareholders, benefit from a co-op's profits.

AUTONOMY AND INDEPENDENCE

When making business deals or raising money, co-ops never compromise their autonomy or democratic member control.

EDUCATION, TRAINING AND INFORMATION

Co-ops provide education, training and information so their members can contribute effectively to the success of their co-op.

COOPERATION AMONG COOPERATIVES

Co-ops believe working together is the best strategy to empower their members and build a stronger co-op economy.

CONCERN FOR COMMUNITY

Co-ops are community-minded. They contribute to the sustainable development of their communities by sourcing and investing locally.

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