



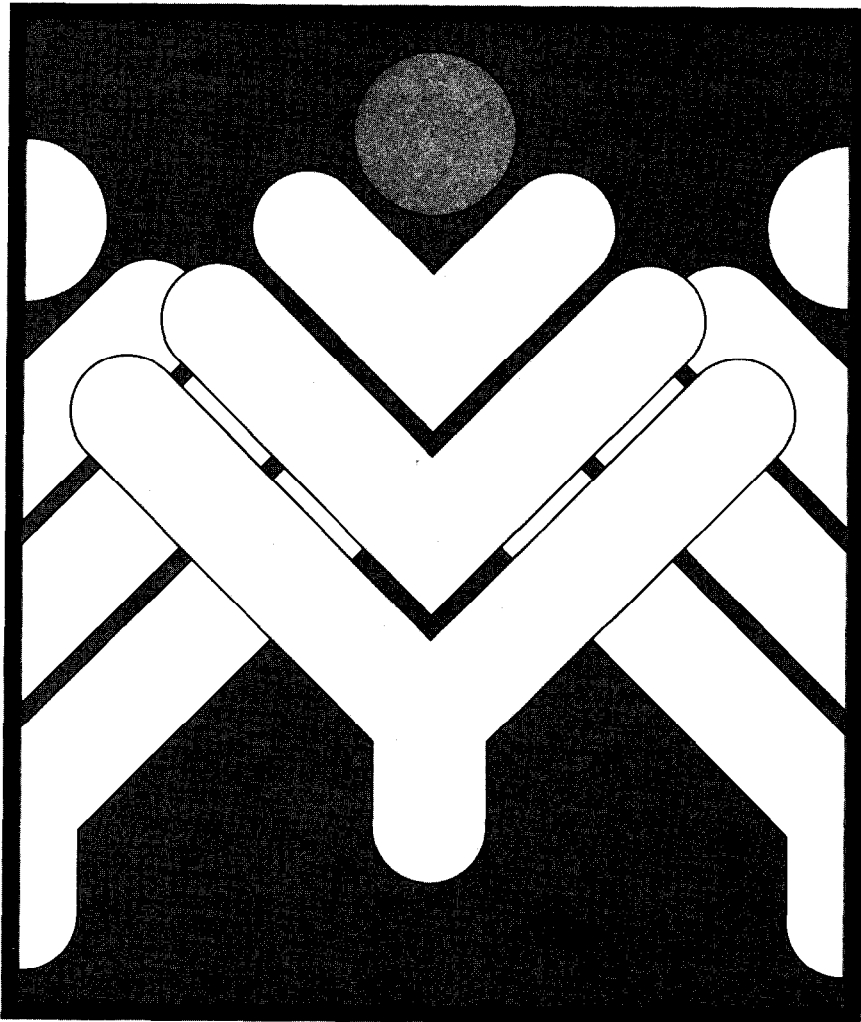
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Cooperative Education Survey: Cooperatives' Version

Summary of Findings



Abstract

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Preface

This special report presents a summary of the findings from the recent survey of cooperative organizations regarding cooperative education. The survey was conducted by the joint effort of the Agricultural Cooperative Service and the National Council of Farmer Cooperatives as one component of a multi-faceted examination of the needs and priorities for contemporary cooperative education. Materials contained in this special report should not be viewed as the final results of the broader task force study, rather as inputs to the process.

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Cooperative Education Survey: Cooperatives' Version

Summary of Findings

This survey was conducted in early 1992 to obtain the opinions of people working with operating cooperative businesses who had knowledge and experience in cooperative education. Of the 350 surveyed, 209 provided usable responses. The original list of recipients was drawn from the suggestions by the education staff of Agricultural Cooperative Service (ACS), the National Council of Farmer Cooperatives (NCFC), the National Cooperative Business Association (NCBA), and leaders from most of the State cooperative councils throughout the United States.

The recipient group was not intended to represent a random sample of cooperative organizations or educators within cooperatives. Rather, it was drawn to solicit opinion from a broad range of persons known to be familiar with and involved in cooperative education in cooperatives.

Respondents represented 36 States and all regions of the country (table 1). The majority, about 62 percent, were from the Midwest and Plains regions, where the bulk of agricultural cooperatives are located.

Table 1-Distribution of survey respondents, by State.

| South 42 | East 26 | Midwest 61 | Plains 45 | west 14 |
|----------|---------|------------|-------------|---------|
| AL 2 | DC 2 | IA 13 | co 5 | CA 5 |
| AR 2 | MA 2 | IL 12 | KS12 | ID 5 |
| FL 2 | MD 2 | IN 7 | NB 3 | WA 3 |
| GA6 | NH 1 | MI 4 | ND12 | UT 1 |
| KY6 | NJ 1 | MN 12 | OK 5 | |
| LA 3 | NY 9 | MO 7 | SD 5 | |
| MS3 | PA 9 | OH 16 | TX 3 | |
| NC7 | | WI 10 | | |
| SC 3 | | | | |
| VA 6 | | | | |

More than half of the respondents represented agricultural marketing, farm supply, or services cooperatives (table 2). Twenty-five respondents were from rural service cooperatives, including telephone, electric, and water cooperatives. **Thirty-one** represented financial institutions, primarily Farm Credit System representatives, although some credit unions are also included. Consumer, housing, health care, and insurance cooperatives each had a small number of respondents. For purposes of analysis in this report, consumer and housing cooperatives are combined into a single group. Those from the health care, insurance, and “other” groups are included only in the totals for all respondents (table 2).

ATTITUDES AND GOALS FOR COOPERATIVE EDUCATION

Survey recipients were asked to indicate how important they felt cooperative education was to the success of their cooperatives (table 3). All indicated at least moderate importance, with 75 percent believing cooperative education to be critical. This proportion was relatively consistent across the different types of organizations. Thus, at least in terms of expression of basic attitude regarding cooperative education, the view was strongly supportive.

Those polled were asked to identify three goals from among a list for cooperative education programs they felt

Table P-Distribution of respondents, by organization type

| Type of organization | Number of respondents |
|--|-----------------------|
| Marketing or supply cooperative | 133 |
| Rural services (telephone, electric, etc.) | 25 |
| Financial | 31 |
| Consumer | 6 |
| Housing | 5 |
| Health care | 1 |
| Insurance | 2 |
| Other | 6 |

were most important. Results are shown in table 4. Each proposed goal was also placed into one of three composite priority categories (high, moderate, low), based on the frequency of its selection. The goal of improving member relations was by far the most frequently selected.

It is useful to distinguish between the types of goals in this list. Certain ones are quite pragmatic, relating directly to how education can affect the business success of the organization. Most notable were those “to increase business volume” and “to increase membership.”

Others could be considered more altruistic, done in support of the cooperative concept. These include “to understand

Table &Importance of cooperative education to the success of the organization.

| Type of organization | Not Important at all | Important, not critical | Extremely important |
|-----------------------------|----------------------|-------------------------|---------------------|
| | <i>Number</i> | | |
| Marketing/supplies services | 0 | 38 | 95 |
| Financial | 0 | 6 | 19 |
| Consumer/housing | 0 | 7 | 24 |
| | 0 | 3 | 8 |
| All respondents | 0 | 54 | 154 |

Table 4-Rating of alternative goals for cooperative education, all respondents.

| | Number | Priority ¹ |
|----------------------------------|--------|-----------------------|
| Improve member relations | 121 | high |
| Understand co-op principles | 77 | mod |
| Increase business volume | 76 | mod |
| Enhance co-op's public image | 74 | mod |
| Improve member decisionmaking | 71 | mod |
| Provide information | 70 | mod |
| Nurture leadership skills | 53 | low |
| Improve climate for cooperatives | 52 | low |
| Increase membership | 31 | low |

¹Priority levels defined by frequency groupings of responses.

basic cooperative principles” and “to improve member decisionmaking.” The more altruistic goals, while contributing to the economic success of the cooperative, do so in a less direct fashion. We would expect to see organizations’ approaches to cooperative education vary considerably according to whether their goals are pragmatic or altruistic. What remains unclear is which approach is more effective in building strong cooperatives.

Marked difference could be seen in the goals for cooperative education expressed by respondents from different types of organization (table 5). Improving member relations was a high priority for all groups except consumer and housing cooperatives. The goals of consumer and housing cooperatives tended to the more altruistic side, reflective of their social philosophy.

Education goals of service cooperatives tended to be related to their public role as sole providers of services. The goals of marketing and supply cooperatives tracked quite closely to financial organizations, reflecting perhaps the increasing convergence of philosophies of lenders and their customers.

Table 5—Indicated priority of goals for cooperative education by type of respondent.

| Education program goal | Mktg/ sup. | Service | Fin. | Cons/ hous. |
|-----------------------------------|---------------------------|---------|------|----------------|
| | <i>Indicated priority</i> | | | |
| Improve member relations | high | high | high | low |
| Understand basic co-op principles | mod | mod | mod | high |
| Increase business volume | mod | low | mod | low |
| Enhance co-op’s public image | mod | high | mod | low |
| Improve member decisionmaking | mod | low | mod | high |
| Provide information | mod | high | low | low |
| Nurture leadership skills | low | low | mod | mod |
| Improve climate for cooperatives | low | mod | mod | low |
| Increase membership | low | low | low | low |

COOPERATIVE EDUCATION BUDGETS

Ninety percent of survey respondents indicated that their cooperative spends money for cooperative education. However, of the 185 who spent money on education, only 55 had a specific budget line item for it. Thus, for the vast majority of respondents, spending on education was not clearly defined. It typically fell within the budget of an organization's member relations or public relations department. This held true for both the traditional marketing and supply cooperatives and other groups. As a result, data collected regarding

Table 6—Average spending and distribution of spending on cooperative education for all respondents and marketing/supply cooperatives.¹

| | All respondents | Mktg/sup co-ops |
|---|-----------------|-----------------|
| Average spending | \$57,923 | \$65,777 |
| Number of co-ops in each spending amount: | | |
| Less than \$10,000 | 69 | 46 |
| \$10,000-29,999 | 31 | 21 |
| \$30,000-99,999 | 22 | 12 |
| \$100,000 plus | 19 | 12 |

¹ Includes only those organizations indicating positive spending amounts.

Table 7—Average spending and distribution of spending on cooperative education for all respondents and marketing/supply cooperatives having specific budget line items for education.¹

| | All respondents | Mktg/sup co-ops |
|---|-----------------|-----------------|
| Average spending | \$90,763 | \$122,000 |
| Number of co-ops in each spending amount: | | |
| Less than \$10,000 | 16 | 10 |
| \$10,000-29,999 | 12 | 6 |
| \$30,000-99,999 | 14 | 7 |
| \$100,000 plus | 6 | 5 |

¹ Includes only associations with positive spending amounts.

cooperative education budget amounts must be used with caution (tables 6 and 7 on previous page).

Of the 141 respondents reporting spending levels, the average organization spent \$57,923 on cooperative education. Marketing and supply cooperatives tended to spend a little more. Most respondents had quite modest spending levels of less than \$30,000. A few notable organizations, with education expenses of \$1 million or more, drove up average spending figures.

A more meaningful measure may be seen in table 7, which reports data on only those organizations having a specific line item for cooperative education in their budgets. Most interesting about this data is that the average expenditure was considerably higher for this group than indicated for the full group—\$90,763 for all types and \$122,000 for marketing and supply cooperatives. This suggests that formal recognition within the context of the budget is associated with a higher degree of dedication and commitment to education.

Nearly 25 percent indicated their organizations spent much more on cooperative education than 10 years ago. More than 68 percent said spending increased at least moderately. Only 8 percent said these expenditures decreased. Looking ahead for the next 5 years, most respondents felt education spending would remain static.

Seventy-five percent thought their organizations would spend about the same amount, but 24 percent felt spending would significantly increase. Returning to an earlier theme, for those cooperatives having a specific budget line item for education, 79 percent at least moderately increased education spending, while 35 percent expected big increases in the next 5 years.

Cooperative members, directors, and employees were the three most important target audiences for education spending (table 8). Education for members and directors each accounted for roughly one-fourth of that budget. This allocation is expected to remain about the same for the next 3 to 5 years.

However, there was some indication that we could expect a slight shift in emphasis toward more general membership, employee, and young adult programs.

In addition to allocating education expenses by target audience, organizations also choose how to deliver education to the audiences. They can put on their own internal programs, join other organizations in sponsoring specific programs, support programs through membership in various groups that perform educational functions, or encourage individual participation in cooperative education by providing scholarships (table 9).

Respondents were relatively satisfied with this general allocation among delivery approaches. Regarding future intentions, data indicated education would see moderate shifts of emphasis to internal programs or those jointly offered

Table &Percent of cooperative education budget spent on various target groups.

| Audience or group | Percent of education budget |
|--------------------|-----------------------------|
| Directors | 24.2 |
| General membership | 26.6 |
| Employees | 16.8 |
| Youth | 9.5 |
| Young adults | 12.7 |
| General public | 6.5 |
| Other | 1.7 |

Table g-Allocation of cooperatives' education spending, by delivery system.

| Delivery system | Percent of spending |
|--|---------------------|
| Internal programs of organization | 47.0 |
| Joint programs with other organizations | 25.4 |
| Donations, dues, or payments to educ. orgs. | 21.4 |
| Scholarships | 5.0 |
| Other | 1.2 |

with other cooperatives. Strongest indications came from marketing and farm supply cooperatives.

Only 22 respondents said their organizations had full time education directors. Of these, 12 also had additional staff assigned to education. Typically, education program duties were assigned on a part-time basis to member relations or communications staff. Seventy-four organizations used this approach. Forty-nine respondents said education responsibilities were assigned to various staff on an “as needed” basis. Forty-five indicated that responsibility rested with the general manager. Nine organizations had no personnel assigned to education.

For most, education was not formally assigned to specific staff. While the survey does not indicate how accountability and responsibility for education are assigned within organizations, education for many might easily fall through the cracks.

AUDIENCES AND TOPICS

Members, directors, and employees were the three top- priority audiences for cooperative education (table 10). Therefore, the major target audiences are already within the cooperative fold.

Table 10 Priority rating of various target audiences by all respondents for cooperative education.

| | Number | Priority ¹ |
|------------------------------|-----------|-----------------------|
| Cooperative managers | 36 | low |
| Cooperative directors | 104 | high |
| Cooperative members | 142 | high |
| Cooperative employees | 103 | high |
| Youth, students | 59 | moderate |
| Young adults | 72 | moderate |
| General public | 46 | low |
| Educators | 21 | low |
| Potential members or patrons | 48 | low |

¹Priority levels defined by frequency groupings of responses.

