



NCBA and NCB Annual Meetings, May 2010

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Co-op Annual Meetings Address Economic Transformation

Two leading national co-op organizations held their annual meetings in Washington, D.C. this past May. The National Cooperative Business Association (NCBA) held its conference on May 5-6. The NCB (chartered as the National Consumer Cooperative Bank) event immediately followed the end of the NCBA conference on the afternoon and evening of May 6th.

The theme of the NCBA conference was on “transforming the economy” and workshop and keynote sessions did focus on efforts of cooperatives to act as catalysts for broader economic change.

For example, Erbin Crowell of the Cooperative Fund of New England and Eric DeLuca of the Neighborhood Food Cooperative Association (NFCA) talked about how New England food co-ops through the Neighborhood Food Cooperative Association have banded together to influence food policy. Part of this effort was to simply document the economic importance of co-ops in the local community. According to a 2008 study, the 17 member co-ops of NFCA had \$64 million in sales and made \$33 million in annual local purchases (including \$10 million in fresh farm products, \$18 million in locally processed foods and \$5 million in other products). The NFCA co-ops also employ 1,240 staff and paid \$28.6 million in wages.

Working through NFCA, the 17 food co-ops have built an alliance with producer co-ops such as Cabot and Organic Valley as well as links with nonprofits, such as the Northeast Organic Farming Association, the Center for an Agricultural Economy, and Northeast Sustainable Traders. By being at the policy table, co-ops have begun to receive notice; for example the State of Vermont asked NFCA to help draft a portion of the state’s healthy food strategy.

Also at the conference was a panel on the Evergreen Cooperatives in Cleveland, Ohio. "If having a green job is a good thing," said Ted Howard, Executive Director of the Democracy Collaborative, "then owning a green job is an even better thing." Inspired and partially modeled after the Mondragon Coops in Spain, two Evergreen Co-ops opened in the fall of 2009 and another is on its way cooperatives work. Lillian Kuri of the Cleveland Foundation outlined the overall approach and the problems of poverty that led to the development of the Cleveland worker co-op strategy. Jim Anderson, CEO of Evergreen Cooperative Laundry, discussed the importance of workplace culture in making the worker co-op.

The keynote speaker at the end of the NCBA meeting was Justin Conway, Senior Relationship Officer at Calvert Social Investment. Conway estimated that the latest report from the Social Investment Forum may show \$30 billion in assets for community development financial

institutions, a big climb from \$25.8 billion in 2007. But Conway noted that “direct investing in the cooperative economy is rather meager.” Still, Conway said, that the “community investing is growing: New opportunities coming into the field.” Conway also acknowledged that “many green businesses aren’t talking to cooperative lenders” and said there “needs to be more of an effort placed on making those connections.”

Following the National Cooperative Business Alliance conference was the annual meeting of the National Cooperative Bank. Chuck Snyder, CEO of the National Cooperative Bank, noted in the community finance industry, “We haven’t quite figured out what the ‘new normal’ is. Snyder pointed out that, “39% of our portfolio is in low and moderate-income communities. That portfolio did quite well. The loans that we have in low-income communities have done very, very well.”

The National Cooperative Bank suffered losses (\$44 million) in 2009, but is in sound financial condition and has paid down its debt from \$307 million to \$68 million. Snyder noted that the bank is capitalized at 13 percent, well above industry standard of 10 percent. “We tightened our belt and have worked on risk management. One issue is the lack of trust. I feel we treat our customers fairly. Americans saw tremendous bonuses and they saw their credit card rates increased and their fees increased. And they got angry. We’re suing no one and no one is suing us. It is a totally different proposition.

“Such a time calls for serious reflection,” Snyder added. “For NCB, it is truly a return to our roots. Thinking about the Goldman hearings, it seemed both sides got what they wanted. Congress got their public flogging and Goldman got what they wanted since they didn’t admit to anything. But both sides lost because they didn’t listen. We need to reach solutions that promote the common good,” Snyder concluded.

For more information about the National Cooperative Business Association, see: www.ncba.coop. For more information about the National Cooperative Bank, see: www.ncb.coop.