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## Co-opalooza Press Q&A Reference

### 1. What is Co-opalooza?

Co-opalooza is the second annual, one-day, family-friendly, and free celebration of local cooperative businesses. The event format is similar to a tradeshow and festival, with co-operative businesses showcasing their products and services with fun activities at various booths.

### 2. What is happening in the 2011 event?

Co-opalooza 2011 will be held Oct. 16, 11 a.m. – 5 p.m. at Fisher Pavilion in Seattle Center. This year's event will be emceed by Northwest comedy legend, Pat Cashman, and will feature live music from Moondoggies, Recess Monkeys, and Caspar Babypants.

### 3. What are the goals of the event?

- To advance the cooperative movement by showcasing cooperatives in the Northwest and around the country, explaining co-ops commonalities and shared values, and highlighting the important contributions cooperatives make to our local communities.
- To strengthen the cooperative business community by providing a venue where co-ops of all sizes can promote themselves and network with other co-ops.
- To provide a fun, educational resource to explain the many benefits of the co-operative business model.

### 4. What is a Co-op? \*

A cooperative is a business. Co-ops range in size from small store-fronts to large Fortune 500 companies. In many ways, they're like any other business; but in several important ways they're unique and different.

#### Cooperatives:

- Are owned and democratically controlled by their members-the people who use the co-op's services or buy its goods-not by outside investors; Co-op members elect their board of directors from within the membership.
- Return surplus revenues (income over expenses and investment) to members proportionate to their use of the cooperative, not proportionate to their "investment" or ownership share.
- Are motivated not by profit, but by service-to meet their members' needs for affordable and high quality goods or services; Exist solely to serve their members.
- Pay taxes on income kept within the co-op for investment and reserves. Surplus revenues from the co-op are returned to individual members who pay taxes on that income.

## 5. What types of Co-ops are there? \*

Cooperatives are categorized in two ways: by **type** and **sector**. Cooperative “types” are based on their ownership structure and function. The main types are **Worker, Producer, Purchasing, and Consumer**.

Consumer co-ops may be formed by individuals or businesses, and in the latter case they are often referred to as “purchasing” or “shared service” co-ops. On the other hand, producer co-ops include both those formed by businesses – often called “marketing” co-ops – and “worker” co-ops whose members are individuals. Some co-ops are hybrids, combining elements of more than one type of co-op.

Each type of co-op has many subcategories and some co-ops contain elements of both types. For example, an electric cooperative falls into the consumer type because the consumers in the service area of that electric co-op own it. Of course, many businesses are also members of electric co-ops. However, in some cases electric co-ops and other utilities form purchasing co-ops to generate or purchase the power they distribute to their members. This is sometimes called a second-level co-op, federated co-op or federation.

## 6. What notable Cooperatives are headquartered in the Northwest?

The Northwest is home to many co-ops of all sizes, with a high concentration in Washington State. Among the most well-known are REI, PCC, Group Health, Central Co-op, Treetop, Tillamook, and Darigold.

## 7. In what sectors can co-ops be found?

There are co-ops in almost every sector of business, serving a vast variety of needs around the world. For the purpose of Co-opalooza, SMCU has categorized co-ops into the following main sectors:

- Agriculture/Farmer
- Artist Co-ops
- Child Care/Preschool
- Credit Union
- Retail /Grocer
- Health Care
- Housing
- Utility
- Other

### About SMCU

Seattle Metropolitan Credit Union, “Home of the Seven Cooperative Principles,” has provided sound solutions to its members’ financial needs since 1933. Originally founded by City of Seattle municipal employees who wanted a fairer and more accessible financial institution, Seattle Metropolitan Credit Union now serves the entire State of Washington with a full range of loan products and financial services.

### More on Cooperatives

Cooperative businesses have played an important role in the United States since pre-independence times, especially during economic downturns. During the Great Depression, before government programs became prevalent, people set up “self-help” groups to help each other meet their needs for basic household goods and financial products.

Cooperatives can now be found in nearly every sector of the economy. From credit unions to grocery and farming co-ops, cooperative businesses work to provide unique value to their members. Not only do they provide great deals on the products and services they offer, they often look to create a social balance in the arenas in which they do business.

Cooperatives often work together to achieve their goals, not just as a matter of convenience but as a matter of principle. Cooperation amongst cooperatives is one of the foundational tenets that make the co-op system great for everyone.

**More information:**

For more information about Co-opalooza 2011, visit <http://www.smcu.com/coop>.

\*From the National Cooperative Business Association <http://www.ncba.coop/ncba/about-co-ops>.