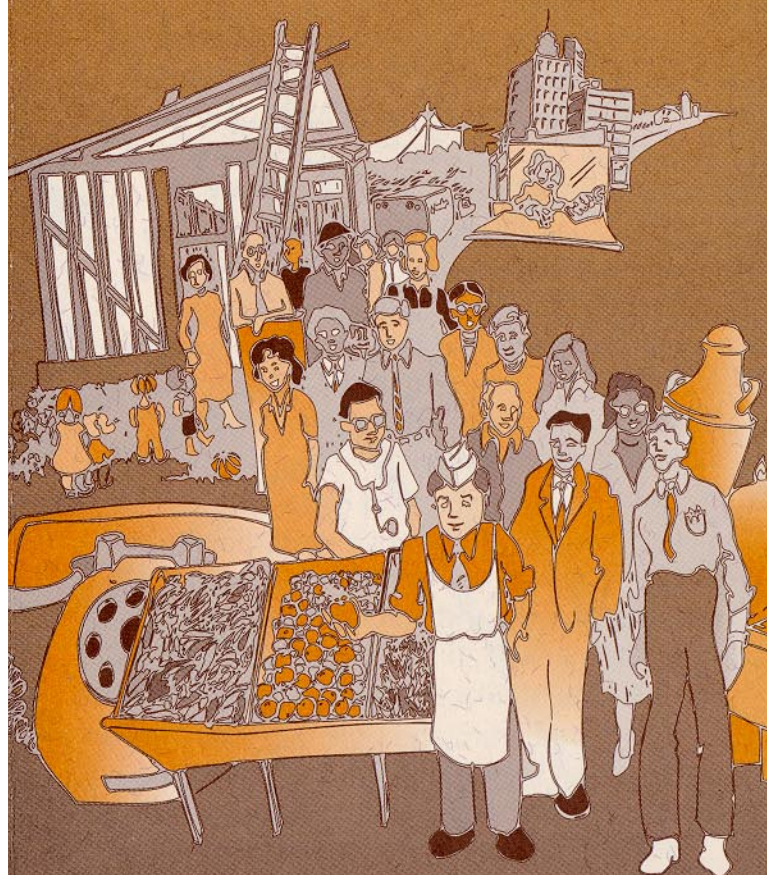


THE COOPERATIVE DIFFERENCE

Consumers
Helping
Themselves
to Meet Needs
and Save Money



CONSUMER FEDERATION OF AMERICA

THE COOPERATIVE DIFFERENCE

Consumer cooperatives are businesses which belong to the people who use them. America's first successful coop was formed by Benjamin Franklin to provide insurance for homes. Today, more than 100 million Americans participate in cooperatives.

Cooperatives are successful because they provide valuable services and save consumers money. Since the primary goal of cooperatives is to meet needs, not generate profits, they can serve their members at low cost.

Cooperatives often provide services to their communities that are not readily available from for-profit businesses. In other cases, cooperatives enhance the level of competition in the marketplace by providing consumers with an alternative source of products and services.

The central principle of consumer cooperatives is member control and participation. These member/owners meet periodically to establish policy and elect directors. Directors, in turn, hire managers to administer the cooperative on a day-to-day basis.

Members control the business and provide capital for a strong and efficient operation. And, members receive all net savings left after money is set aside for operations and improvements.

Consumer cooperatives provide most important products or services a person might need. Examples include:

Credit Unions: More than 12,000 credit unions supply financial services for over 67 million consumers nationwide. Using up-to-date technology, they offer a wide range of services at prices that are usually lower than those of for-profit institutions. For example, credit unions usually charge fewer and lower fees, and lower loan rates, than do competitors.

While most credit unions serve the broad middle class, an increasing number are meeting the financial services needs of low-income communities. As many banks abandon these areas, a growing number of community development credit unions are serving low and moderate income households.

Utility Cooperatives: Cooperatives provide electricity and telephone services to more than 26 million people. Cooperatives also offer state of the art television and telecommunications services at competitive prices.

Electric Cooperatives

were formed by citizens in communities where the investor-owned power companies would not provide service. Today, these cooperatives continue to look for opportunities to provide more and better service, including other forms of energy.

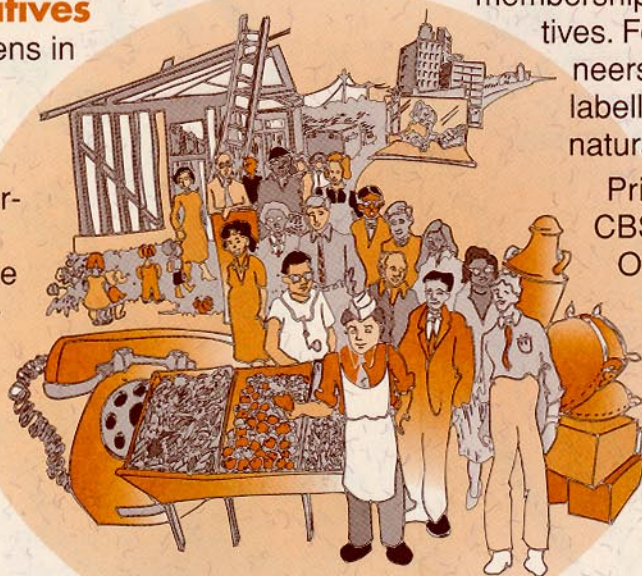
Telephone Cooperatives provide rural Americans with telecommunications services comparable to those available to urban residents, and at a reasonable cost. Through digital switching and transmission facilities, they offer enhanced services, such as custom calling features and Internet access. Many cooperatives also provide cable TV, direct broadcast satellite TV, and cellular services.

Housing Cooperatives: Cooperative housing is quality, affordable housing for nearly one million people. Owned and controlled by the members, cooperative housing generally costs less than comparable housing.

Because families who own their own homes have a greater stake in their neighborhoods, private economic development organizations and local governments are encouraging the development of housing cooperatives. Housing cooperatives are a way to provide home ownership for low-income Americans.

Food Cooperatives: Over one million Americans stretch their food dollars through membership in nearly 5,000 food cooperatives. Food cooperatives have been pioneers in unit pricing, nutritional labelling and the sale of bulk and natural foods.

Price comparison surveys done by CBS This Morning and Mothers and Others for a Liveable Planet have found significant savings through food cooperatives.



Nursery School and Child Care Cooperatives:

Nursery school and child care cooperatives provide quality care for half a million families. The cooperative structure gives parents a real voice in their child's education.

In cooperative nursery schools and child care centers, parents determine policy, participate as aides in the classroom and serve on committees for such things as raising funds, purchasing supplies and maintaining equipment. This parental involvement cuts expenses so that the savings can be passed on to members.

Health Care Cooperatives: Cooperative health maintenance organizations (HMOs) provide comprehensive health care for more than one million Americans coast to coast. Because they have been able to provide high quality care at the lowest cost while satisfying the needs of their customers, these health care providers play an important role in the country's health care system.

Other consumer cooperatives provide services such as mutual insurance, buying clubs, television satellites, and funeral arrangements. Cooperatives on college campuses offer book, food and housing services for student members. Many of these and other cooperatives are locally owned and managed by members in communities across the country.

The Consumer Federation of America is a non-profit association of some 240 pro-consumer groups. It was founded in 1968 to advance the consumer interest through advocacy and education.

Single copies of this brochure are available by sending a self-addressed stamped envelope to:

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