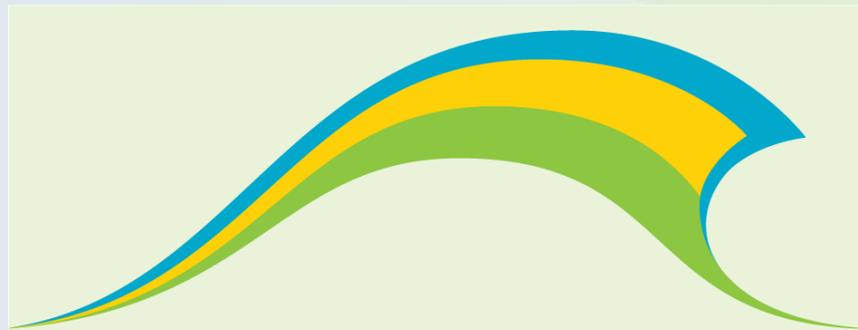


Measuring and Reporting Community Impacts of Co-ops: with Credit Union Application

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

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Indicators in the Literature

- Financial Analysis
- Sustainability Reporting
- Balanced Scorecard & Strategy Mapping
- Expanded Value-Added Statement
- Social and Economic Footprints
- Genuine Progress Indicators
- Index of Well Being

Major Features

- Existing formats provide basic performance measures, some accounting of externalities, some social and environmental indicators & some qualitative measures in addition to quantitative.
- Hybrid approaches, such as Sustainability Reporting, combine quantitative and qualitative methods and experiment with nonprofit auditing.
- Include social auditing and accounting methods to quantify the value of volunteer labour.

Gaps

- Generally cover activities of employees and board and others acting collectively on behalf of the entity – internal focus;
- but not personal activity; or
- secondary or indirect activities or effects – no external focus.
- Do not focus enough on interactional outcomes (ex: job creation through environmental protection, or community stability through buying local);
- results from democratic participation (ex: leadership development, or civic engagement); and
- community mission

Impacts and Interactions Looking For

- How to demonstrate and measure impact and interactional outcomes?
- Survey and Interviews not enough
 - Who can articulate this?
- Economic linkages – where spend money, how deploy resources, what value added, re-circulated locally, involved in community-friendly or community-engaged forms of exchange?
- Multiple effects and interactions; multipliers
- Observable change or transformation in community or among members or stakeholders.

Measuring Cooperative Value Added – Get at Impacts?

- Understanding and documenting the full panoply of co-operative outcomes
- requires an expanded notion of impacts and outcome measurement, and
- the creative use of interdisciplinary and possibly newly designed tools.
- Greatest challenge – articulating and analyzing actual impacts – how tease this out?

Lessons Learned

- Focus on the ways in which what products and services cooperatives provide and how they conduct themselves affect their stakeholders and the communities in which they locate and function.
- Use participatory community-based research to involve co-op members, co-op leaders and co-op managers in articulating social, cultural and political as well as economic impacts and interactions, and multiplier effects..

Indicators

- Economic activity – standard economic statistics; + types of transactions, role in market, asset ownership, investment in other SEs.
- Financial transparency
- Employment + quality measures
- Economic linkages – where spend their money, local re-circulation and multiplier; comm dev
- Education and Training – board, staff, members, community
- Diversity of members, staff, management, board
- Democratic Economic Participation and Management
- Leadership and Social Capital Development

Gordon Nembhard and Hammond Ketilson Indicator Table

Multiplier Effects

- Develop Multipliers to reflect these effects
 - Identify interactional effects/multiple outcomes from one goal
 - Recirculation of local resources increases or multiplies the effect of the use of any one resource – making it many times more powerful.
 - Examples: Buy supplies and procure inputs from and/or sell supplies and goods and services to local enterprises
 - Hire locally and use employee time for volunteering
- = Money stays within the community

Calculate Multiplier

- Salaries for employees who live in the community - circulates once; 2 x if employee banks locally (with CU) or buys locally (4 x) or rents from a community owner (5x); 3-6 x if the bank/CU or store hires locally or buys locally, etc.
- Procurement -multiplies 1 x if buy from local company; 2 x if company hires or buys locally; 3 x if employee banks or buys locally, etc.
- Loans for new business development or expansion: how many new jobs created (average # of jobs for every \$100,000 in new business loans).
- Mortgages or affordable housing built (average # of people or families provided with housing per loan)

Leadership and Civic Engagement Multiplier

- Staff volunteer hours – multiply total hours by minimum wage (or comparable wage) and add to total \$ donations to community.
- If participate in CU governance, also participate in other organizational leadership? Multiply number of CU members times number of positions in other organizations.
- Civic Engagement – if active member of CU, active member in other organizations, what kinds of civic engagement?

Credit Union Study

Measuring the impact of credit unions on community development and wealth building in communities

- This study aims to better understand the precise benefits that credit unions provide their communities, and
- the specific ways that credit unions help their members create wealth, financial stability, well being and skills.
- Focus on impacts.

Survey and Interview Phase

- Based on indicators table (narrowed)
- Developed detailed questions for managers and board members, staff, and members.
- Test questions – share with cu managers – work closely with Affinity CU
- Online Survey (small subset of questions) – Provincial level
- Interviews at 1 or 2 Credit Unions

Pilot Credit Union Study

Types of Indicators/Impact	Sample Questions
Community Involvement (investment, scholarships, policy advocacy)	<ul style="list-style-type: none">•How much does your CU donate to community (as % of profits)?•Community activities your CU gets involved in?•Do CU staff volunteer in the community, how, and what impact does it have?
Community Economic Development (enterprise development, financial services, community programs, local procurement, affordable housing, micro lending)	<ul style="list-style-type: none">•Does the CU provide competitive rates on deposits and loans?•What does the CU do to help keep community businesses viable?•Does your CU support special ced programs such as affordable housing, social investment, community grants?•Does the CU buy locally (local procurement)?

Types of Indicators/Impact	Sample Questions
<p>Service Provision</p> <p>(types, quality, professionalism, innovations, personalized, only financial institution)</p>	<ul style="list-style-type: none"> •Savings and investment products your CU offers? •Can you give examples of the CU giving personalized service to its members? •What does the CU do for communities without a financial institution? •How do you handle complaints, do you have a grievance procedure? •Public perception of the CU?
<p>Skills and Leadership Development</p> <p>(training programs – staff and member, member participation at AGM, participation on board)</p>	<ul style="list-style-type: none"> •Board trainings? •Special workshops for members or staff? •Participation in other organizations and leadership positions because of participation in CU?

Types of Indicators/Impact	Sample Questions
Employment (Salaries, benefits, hiring practices)	<ul style="list-style-type: none"> • Is your CU a good place to work? Has it received any awards or recognitions? • Does your CU hire local residents? • What benefits does your CU offer employees?
Environment and Sustainability (green buildings, recycling)	<ul style="list-style-type: none"> • Does your CU have an environmental program (reduce, reuse, recycle)? • What kind of green initiatives does your CU participate in or sponsor?

Next Steps

- Multiplier Analysis, multiplier estimates
- Articulation of Impact
- Look forward to further discussion with colleagues
- Thank you