

THE ECONOMIC AND FISCAL IMPACTS OF FOOD COOPERATIVES IN NORTHWESTERN NEW ENGLAND

Using survey data from 17 food cooperatives in VT, NH, MA, and CT, we estimated their impact on the regional economy. The results are impressive. Note: Although the co-ops are legally separate entities, they are linked by a shared vision, as well as organizational and governance structures that empower workers and members. They are also committed to buying and selling locally produced goods and services.

Direct Impacts

- **Members:** 64,000, which is more than 7% of the total population of their host counties.
- **Sales:** Aggregate sales = \$161 million last year, equal to ~ 8% of sales for supermarkets in those counties.
- **Employees:** The co-ops employ 1,240 workers; 62% work full-time, compared to 43% in supermarkets.
 - ⇒ The Vermont total is 623, which would make those ten co-ops one of the top 25 employers in the state.

- **Wages:** Total annual wages were \$28.6 million and the average wage is \$23,049, which is 18% higher than the average for food and beverage stores in the same states.

Economic and Fiscal Impacts			
	Direct	Indirect & Induced	Totals
Output	\$161,026,662	\$118,281,350	\$279,308,012
Employment	1,214	1,049	2,263
Compensation	\$34,339,587	\$40,669,446	\$75,009,033
Other Property Income	\$4,929,074	\$23,757,307	\$28,686,381
Indirect state taxes	\$7,318,935	\$6,377,947	\$13,696,882
Direct state taxes	\$433,938	\$402,895	\$836,843

- **Buying Local:** The co-ops bought \$33 million in local products: \$10m for fresh farm products (fruit, eggs, vegetables & meat), \$18m for processed foods (bread, cheese, sauces, etc.), and \$5m for other local products.
- **State & Local Taxes:**
 - ⇒ Indirect (sales, excise, and other taxes paid during normal operations): \$7.3 million.
 - ⇒ Personal income: The 1,240 co-op employees paid approximately \$434,000 in state income taxes.
 - ⇒ Property: 11 of the 17 co-ops own their stores and paid almost \$500,000 in property taxes last year.

Indirect Impacts: The multiplier effects of circulating money in the local economy are significant. The co-ops buy from wholesalers, farmers, and service providers who spend some of the money locally for payroll, equipment, supplies, utilities, and taxes ("indirect" effects). Some of the wages paid to co-op employees and to workers down the supply chains are spent locally too ("induced" effects).

Other Benefits

- ⇒ Livable wages: PT work is a choice for some but most people need FT jobs. Full-time hours plus higher than average wages means that experienced workers in the lowest paid jobs earn a livable wage.
- ⇒ Workplace democracy: Some co-ops are managed collectively while others encourage workers to participate in key business decisions. This provides workers with opportunities to gain valuable skills.
- ⇒ Buying local is a powerful economic development strategy and an important tool for protecting the health and productive value of open land. It helps existing farmers seeking to diversify and those who want to enter this challenging field. In the end, it's about building community and increasing self-reliance.

Report provided by Doug Hoffer, an independent researcher and policy analyst based in Burlington, Vermont.