

MEASURING THE LOCAL ECONOMIC IMPACT OF COOPERATIVES

by
Kimberly Zeuli and Steven Deller
University of Wisconsin – Madison

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Abstract

The ability to measure the economic importance of cooperatives to communities is not purely an academic question. Policy makers, cooperative organizations, and community development practitioners are increasingly asking for such information. The most commonly used methodology is input-output analysis. The limitations of input-output analysis when applied to cooperatives have not yet been comprehensively explained in the literature, although they significantly affect the application of the model as well as the interpretation of results. We discuss five issues that need to be addressed when using input-output models and suggest additional analysis that should be completed to gain an accurate assessment of the local economic impact of cooperatives.

Key words: cooperatives, economic impact, community development, input-output models.