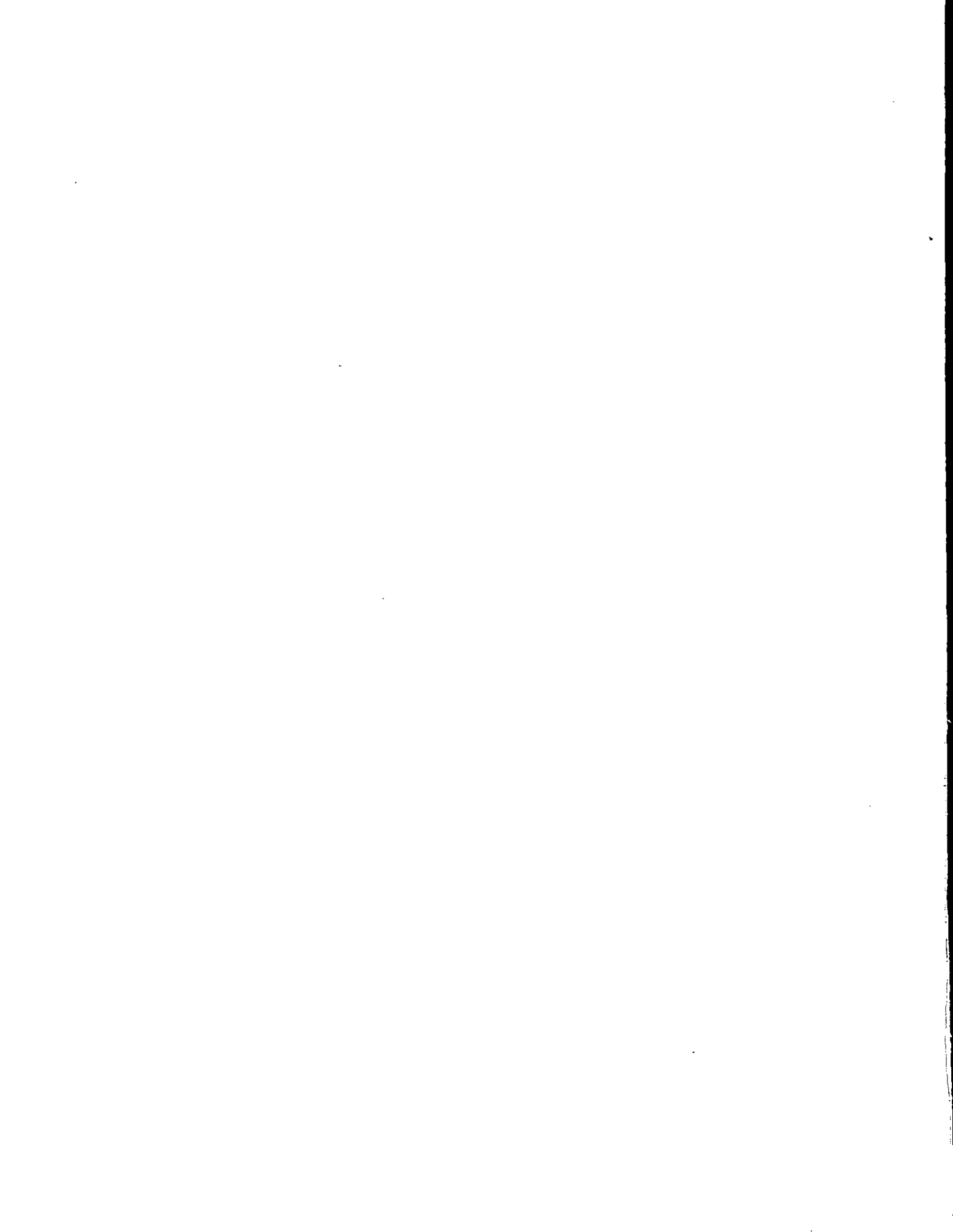


How Californians See Cooperatives

Barnes, Coontz and Suttie

Center for Cooperatives, University of California



How Californians See Cooperatives

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ISBN: 1-885641-09-5

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Edited and layout by Georgeann Halburian Ikuma

Cover design by Marianne Post

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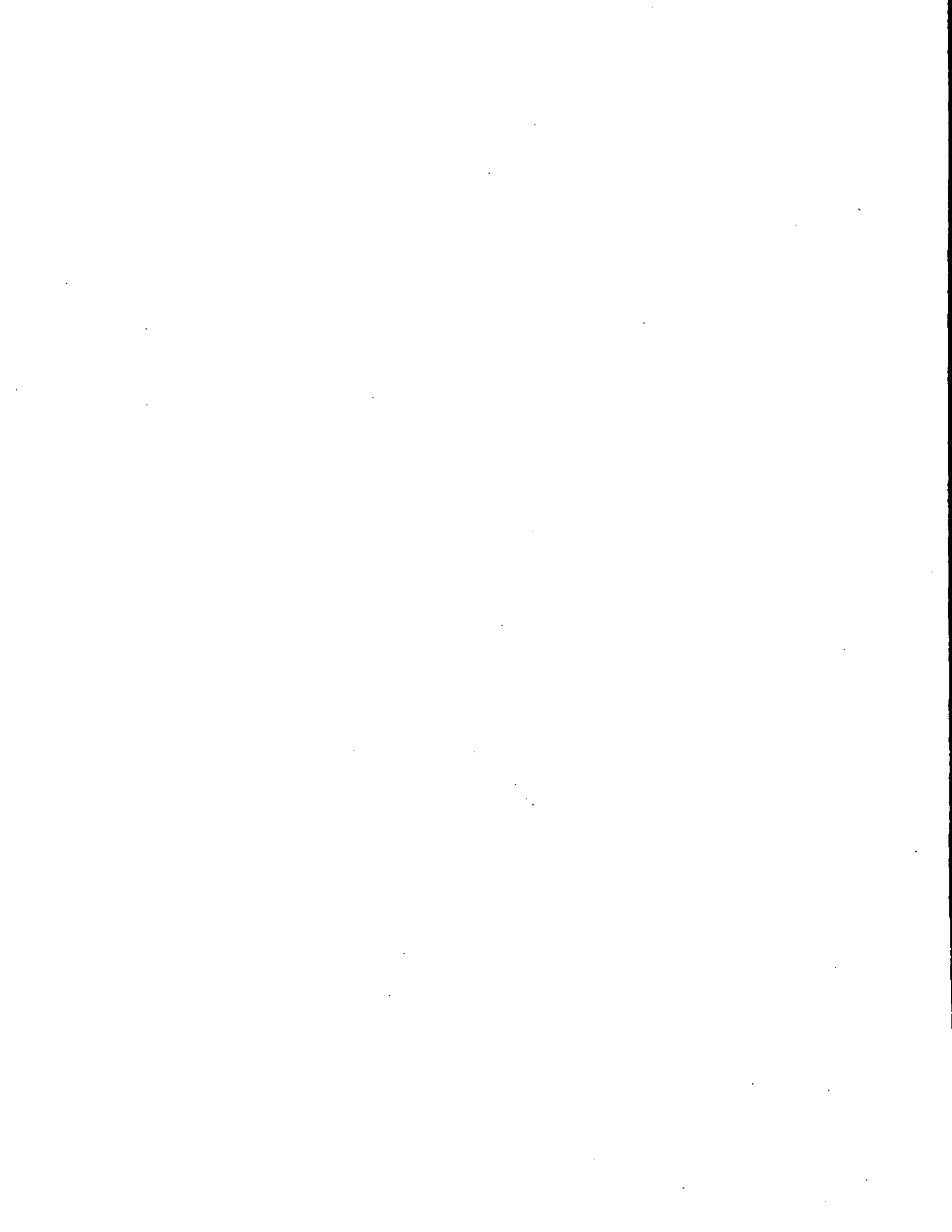
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EXECUTIVE SUMMARY

Highlights of the Survey Findings

How Californians See Cooperatives summarizes the results of a statewide telephone survey conducted to examine awareness, knowledge, and perceptions of cooperatives and to obtain reliable estimates of co-op membership. The membership calculations obtained from this study eliminate a duplication problem inherent in many previous estimates based on reports from individual cooperatives.

Californian's knowledge and attitudes towards cooperatives were explored on several levels, ranging from basic recognition of co-op areas and specific businesses, to asking people to describe, in their own words, what a cooperative is. Throughout, respondents emphasized the economic benefits associated with cooperatives. A variety of characteristics were found to be related to how people see co-ops, but the strongest factor was knowledge—the more knowledge a respondent had about cooperatives, the more favorable their perceptions. Major survey findings are summarized below.

CO-OP MEMBERSHIP

- One in three respondents, or an estimated 7.6 million Californians, are current co-op members.
- The higher a respondent's educational level the more likely he/she was to be a co-op member.
- Respondents between the ages of 35 and 44 were most likely to be current co-op members.
- Respondents 65 years and over were least likely to be co-op members, followed by those respondents between the ages of 18 and 24.
- Latinos were less likely than other ethnic groups to belong to a cooperative.

AWARENESS AND KNOWLEDGE OF COOPERATIVES

- Eighty-four percent of all respondents had heard of or recognized cooperative products or businesses.
- High educational attainment and high household income were the most important factors in predicting co-op awareness and knowledge.
- Respondents under the age of 35 knew less about co-ops than older respondents. Those under 25 had lower knowledge levels than any other age group. The 45-64 age group was the most knowledgeable; their scores on the knowledge scale were twice that of the under-25 age group.
- Latinos interviewed in Spanish were less likely than other ethnic groups to be aware of cooperatives.
- Half of all Californians surveyed said they had heard of cooperative retail food stores, making this the most widely recognized co-op. Child-care, housing, and credit unions were the next most frequently recognized co-op areas recognized by more than 45% of respondents.
- Respondents were more aware of consumer co-ops than agricultural co-ops. While eight out of ten were familiar with consumer co-ops; only four in ten were familiar with agricultural co-ops.
- Just over 11% of respondents mistakenly thought that non-co-op organizations—membership warehouses like Price Costco—were cooperatives.
- Four out of ten respondents accurately described one or more aspects of how cooperatives work. Most characterized co-ops as a group of people or businesses working together for economic benefit.

PERCEPTIONS OF COOPERATIVES

- Eight out of ten respondents perceived co-ops as less expensive.
- Both co-op members and non-members agreed that obtaining a service or product less expensively and pooling resources for mutual benefit were the most important reasons for joining a co-op.
- Most respondents knew that co-ops are user- rather than investor-owned and felt that they are financially sound businesses that offer less expensive, high quality products and services.
- A majority of respondents viewed co-ops as mainstream organizations that are democratic, lasting, and proven.
- Cooperatives were strongly associated with sharing equally and allowing more personal influence on decisions.
- Independent of co-op knowledge, younger respondents were more likely to emphasize the

economic advantages of cooperatives. They were more likely to feel co-ops offer high quality products and services and allow more personal influence on decisions.

- Respondents considered gaining a sense of community to be an important reason for joining a co-op. Other social benefits, like “as a lifestyle choice” and “to make a political statement” were not considered very important.
- White respondents were more likely to point out economic advantages of co-ops, which included saving time and money.
- When respondents were asked to comment on the ways that co-ops make their community better or worse, positive observations outnumbered negative remarks by more than four to one. When asked how co-ops affect specific aspects of community, responses were more neutral. Few saw co-ops as having negative consequences.

ADDITIONAL FINDINGS

- As respondent’s knowledge of cooperatives increased, they became more positive in their perceptions of cooperatives. This trend was particularly strong regarding the impact of co-ops on economic issues like prices, the availability of goods and services, and consumer choice.
- The kind of co-op that people were most familiar with influenced their opinions. Respondents more familiar with agricultural co-ops tended to see co-ops as mainstream and proven organizations. They emphasized the importance of increasing economic power but were less positive about the way co-ops affect the prices of goods and services in their community.
- Women were more focused on consumer issues than men. Women were more likely to stress the importance of obtaining services and products less expensively, or not available elsewhere, and valued having a say in how products and services are provided. They were also more likely to view achieving fair business practices as an important reason to join a co-op.
- It is not uncommon for an individual to be a member of a cooperative and not realize that the organization is a cooperative.

DISCUSSION

Survey findings uncover a need for co-op education. Those unfamiliar with co-ops need to be introduced to them, and those who are familiar need more precise information. Members need more technical knowledge about co-ops.

To further underscore the need for co-op education, a theme that arises out of the findings of this survey is that there are clear benefits to having a more informed membership and a more informed public. In general, as knowledge of cooperatives increases, perceptions of co-ops become more favorable.

Over a third of those aware of cooperatives were reminded of them by a particular product or service area. This finding stresses what many co-op educators already know—people who are involved with a cooperative often see them as sector-specific, rather than as a model that can be used across sectors. Increased education of members and the public about the cooperative model and its applicability to wide-reaching needs could address this issue.

There is nothing about the co-op organization model that makes it intrinsically useful to specific groups, yet distinct membership, awareness, and knowledge differences were found for particular demographic groups. Individuals with less education and Latinos whose primary language is Spanish were under-represented among co-op members and were least informed about cooperatives. These findings suggest an especially critical need for cooperative education targeted towards these groups.

The finding that younger respondents, particularly those under the age of 25, had relatively low awareness levels should be of additional concern. They are the cooperative members of the future. Cooperatives can only be useful tools for addressing problems if individuals are aware of them. This group is an especially important one to target for education.

Chapter 1

INTRODUCTION

Cooperatives are a vital, enduring part of the California economy. They generate billions of dollars in annual revenue and provide an important business structure that allows bargaining and marketing power for relatively small producers. Cooperatives also provide employment for hundreds of thousands of Californians as well as consumer products and services in areas as diverse as banking, credit, child care, housing, and commodities.¹ Despite their prominence, however, data on co-op membership is unreliable and little is known about public perceptions of cooperatives.

Knowing what the public thinks about cooperatives can be a valuable tool. Cooperatives are embedded in and must compete in a marketplace where millions of dollars are spent cultivating positive images for a wide variety of products and services. Whether trying to maximize profits for member-farmers of a marketing cooperative or recruiting members of a food co-op, creating a positive image is the first step. How can you approach cultivating a positive image, however, if you are not sure about people's perceptions of cooperatives?

Prompted by such issues, the Center for Cooperatives at the University of California contracted with the Institute for Social Research at California State University, Sacramento, to conduct a statewide telephone survey about people's awareness, knowledge and perceptions of cooperatives. *How Californians See Cooperatives* presents the findings of this survey. The survey generated estimates of cooperative membership that are probably among the most accurate available. The report presents information that can be used by cooperatives to guide public relations campaigns, member recruitment drives and related legislative policy efforts. The data can also be used by cooperative support organizations as a benchmark for successfully informing the public about cooperatives.

METHODOLOGY

Survey findings presented are based on computer-assisted telephone interviews with 1,094 California adults (910 English-speaking and 113 Spanish-speaking). Households were randomly sampled

¹ For more details see the following publications:

Gawn, Coontz and Bandy. California Cooperative Directory and Resource Guide. Center for Cooperatives, University of California: 1991.

Agriculture Council of California. Exploring Farmer Cooperatives. Sacramento: undated publication.

during the period November 7, 1993 through January 7, 1994. Sampling was based on a statewide unweighted random digit sample.²

Thirty-nine percent of the numbers called were either disconnected or non-residential numbers. Of the contacted working residential numbers, 2.7% of the households were disqualified because the residents were neither English nor Spanish-speaking, and .2% were disqualified because the household did not contain any adults. Forty percent of all qualified households that were contacted complied with the request to be interviewed; the remaining 60% declined to participate (Appendix Table 1.1).

Each potentially qualified household was attempted a minimum of six times. Calling sessions were conducted primarily during evenings and weekends. Households for which no answer was repeatedly received during weekday evenings and weekends were contacted during weekday afternoons. When necessary, appointments were set with respondents for a more convenient time. Respondents were randomly selected within households. After the purpose of the survey was introduced, interviewers requested the participation of the adult member of the household currently at home who most recently had a birthday.

The Survey Instrument

The survey instrument was developed jointly by the Institute for Social Research and the Center for Cooperatives.³ Two two-hour, ten-member focus groups were conducted as part of the instrument development phase. Several important considerations were gained from these focus groups and incorporated into the structure of the survey instrument.

The suggestibility of focus-group participants highlighted how critical the sequence of the interview questions would be. It was important that the interview provide an abstract measure of awareness that would be unbiased by information presented during the interview. This required that all respondents be asked straight-away whether they had ever heard of a cooperative. Later in the interview, respondents were asked more concrete awareness questions like whether they had heard of cooperatives in a number of business, service, and product areas. Pre-tests of a working draft revealed that some people respond quite differently to the abstract measure of awareness than to the more concrete measures. For example, pre-test respondents said they had not heard of cooperatives in an abstract way, but recognized cooperative areas and businesses.

The interview was structured so that respondents with absolutely no awareness of cooperatives could be identified as soon as possible. Early in the instrument development phase it was established that it would not make sense to ask people who had never heard of cooperatives many detailed questions about them. For example, if respondents had truly never heard of a cooperative, they could not have an opinion of how co-ops affect their community or why people join co-ops. To avoid frustrating respondents and asking irrelevant questions, the interview structure was branched, dependent on awareness of cooperatives. Those who had heard of co-ops would be asked in greater detail about their awareness, as well as their membership and perceptions. This structure produced three types of respondents: those who were aware of co-ops without prompting; those who were aware with prompting; and those with absolutely no awareness of co-ops at all.

Respondents who were aware of co-ops, either with or without prompting, were asked about their co-op membership, and members were asked to name the cooperatives they belonged to and/or were aware of as specifically as possible. Perception and knowledge of cooperatives were measured through a number of items. A series of "semantic differential" questions were presented and respon-

²Approximately midway through the data collection period, it was observed that some potential respondents were saying they didn't know anything about cooperatives and were declining to be interviewed. To measure the frequency with which this was occurring, a separate disposition code was added to the Computer-Assisted Telephone Interviewing (CATI) system. It is upon this basis that the percentage of those refusing due to lack of knowledge has been computed.

³To review survey questionnaire see Appendix B.

dents were asked which of two contrasting terms best described cooperatives. Open and closed-ended questions asked respondents how co-ops make their community a better or worse place to live. Respondents were then asked to rate the importance of various reasons for joining a cooperative.

Focus groups and pre-tests suggested that some people who belong to a cooperative do not know that they are co-op members. To find out more about those who are co-op members but do not know it, all respondents were asked during the conclusion of the interview whether they belong to a credit union. It was not pointed out that credit unions are co-ops.

All respondents received a series of demographic questions including: industry in which they are employed; educational attainment; household income; year of birth; ethnicity; and marital status. The overall average interview length was 11 minutes. Interviews were shortest for those with no awareness of co-ops (an average of 5.5 minutes), and longest for those with immediate or delayed awareness of co-ops (an average of 12 minutes). A copy of the interview schedule is provided in Appendix B.

Sample Representativeness

There are non-random types of non-response bias that should be considered in interpreting the findings presented in this report. Studies of survey research methods have found that those who have a particular interest in the subject matter being studied are more likely to comply with an interview request than those who are less interested. Because interest and knowledge are so closely related, the sample may overrepresent Californians with more knowledge of cooperatives and underrepresent those with less knowledge. Although the interview emphasized to potential respondents the importance of gathering information from people with all levels of knowledge, it should be noted that 5.4% of refusals cited lack of knowledge as their reason for declining to be interviewed.⁴

The primary method of estimating the effect of non-response and evaluating the representativeness of the sample is a comparison of the aggregate demographic characteristics of the sample with those of the population being studied. In this case, such a comparison shows that the characteristics of this study's sample approximate with varying degrees of accuracy, those of the population of California as a whole. Some portion of the difference can be explained by respondent interest in and knowledge of cooperatives, which, this study finds, are highly related to many demographic characteristics.

In addition, studies of survey research methods have found that particular groups have consistently higher non-response rates, regardless of the topic being studied. Those most likely to refuse an interview request are older, middle-class persons with less-than-average levels of education living in urban areas. The following provides a comparison of the sample and the population for all measured demographic characteristics (Appendix Tables 1.2-1.11).

County. Urban counties are very slightly underrepresented; they comprise 66% of the sample and 68% of the state's population. Rural counties are slightly overrepresented; they comprise 15% of the sample and 13% of the state's population.

Industry of employment. The sample underrepresents those in the manufacturing, and to a lesser degree, retail trade industries. Four industries are overrepresented: personal, entertainment and recreation services; public administration; business and repair services; and professional and related services.

Educational attainment. The sample overrepresents Californians with more than a high school education, particularly those with a college degree. While 68% of the sample have more than a high school education, 54% of the population have reached this level.

⁴ Approximately midway through the data collection period, it was observed that some potential respondents were saying they didn't know anything about cooperatives and were declining to be interviewed. To measure the frequency with which this was occurring, a separate disposition code was added to the CATI system. It is upon this basis that the percentage of those refusing due to lack of knowledge has been computed.

Income. Neither lower nor upper income levels appear to be systematically over or underrepresented.

Ethnicity. Latinos, Asian and Pacific Islanders, and to a lesser degree, whites, are underrepresented in the sample. The sample contains a greater proportion of "other" ethnicities than the population.

Age. Although those between 24 and 44 years of age are overrepresented (53% of the sample versus 47% of the population), there appears to be no systematic over- or underrepresentation of any particular age group.

Marital status. The marital status of respondents mirrors that of California's population.

Gender. Women are overrepresented in the sample. They comprise 63% of the sample as compared to 50% of the state's population.

DISCUSSION

The primary reason for discussing this study's methodology and sample representativeness in such detail is to provide information about the generalizability of survey findings to the population being studied. This information helps determine how well the study describes all Californians' awareness, knowledge and perceptions of co-ops. Both the number of interviews conducted and the sampling method used maximize the accuracy and stability of the findings. In addition, the similarity of sample and population demographic distributions demonstrates that the sample does, in fact, reflect much of California's diversity.

However, an important issue in survey research is the fact that a proportion of those sampled will always choose not to participate. Potential respondents may decline to participate in a research effort for a multitude of reasons, including their level of interest in the topic being studied. The 40% response rate obtained here is well within the acceptable range, but it does not eliminate the possibility that those with less interest in co-ops were more reluctant to participate. If this occurred, the study findings may overstate awareness and knowledge, and this consideration should be kept in mind.

Chapter 2

GENERAL AWARENESS OF COOPERATIVES

The first question on the telephone survey asked respondents: *Have you ever heard of a cooperative?* The intent of this question was to ascertain respondent awareness of cooperatives.

Most Californians surveyed were aware of cooperatives. While 84% of all respondents had either heard of a cooperative or recognized a co-op product, service, or business area, only 16% of all respondents were unaware of their existence.

During the focus groups and the survey instrument pretest, an interesting pattern was uncovered—it was not uncommon for people who responded that they had never heard of a cooperative to change their answer once they were read a list of product and service areas and remember one or more cooperatives. In order to gain an accurate measurement of awareness, the telephone survey was designed so that respondents who originally said “no” immediately went to a second question that asked:

Sometimes when people first hear the term cooperative, it sounds unfamiliar, but when asked about specific business areas, it often jogs their memory. I'd like to name a number of business, service, and product areas. Please answer “yes” if you have heard of cooperatives in the area and “no” if you have not.¹

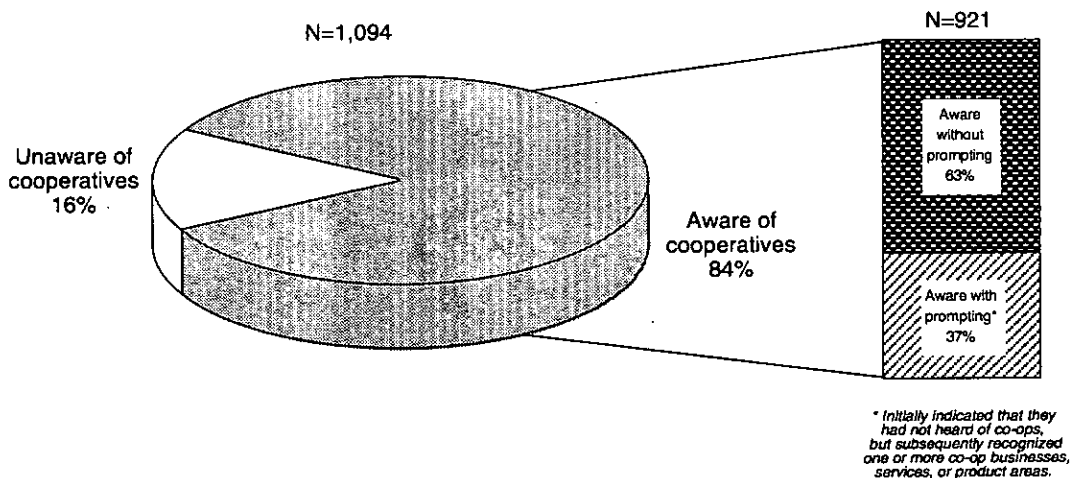
To distinguish between those who knew they had heard of a cooperative and those who needed some prodding, two sub-categories of awareness have been created: awareness without prompting; and awareness with prompting. Just over half of the respondents initially indicated that they had heard of a cooperative. In the interest of clarity, this group, which made up 53% of all respondents and 63% of those respondents who were aware of co-ops, have been labeled “aware without prompting.”

Just under half of all the respondents initially said they had not heard of cooperatives. However, after hearing a number of product and service areas, two-thirds of this group realized that they actu-

¹ Respondents who answered “yes” received a question similar to this but it came after membership and other questions. See Appendix B for the complete survey instrument.

ally had heard of cooperatives. This sub-group, who was “aware with prompting,” comprised 31% of all respondents surveyed and 37% of those respondents who were aware of co-ops (Figure 2.1).

Figure 2.1. Awareness of Cooperatives[†]
Have you ever heard of a cooperative?



[†]The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Table 2.1.

DEMOGRAPHIC CHARACTERISTICS²

Ethnic background, educational attainment, and household income stand out as the characteristics that are most strongly related to awareness of co-ops. The relationship between ethnic background and awareness of co-ops is the most pronounced. More than nine out of ten white respondents and 88% of Asian and Pacific Islanders said they had heard of cooperatives. This figure drops to approximately eight out of ten for blacks and those Latinos who were interviewed in English, but then plummets to four out of ten for Latinos who were interviewed in Spanish (Figure Set 2.2).

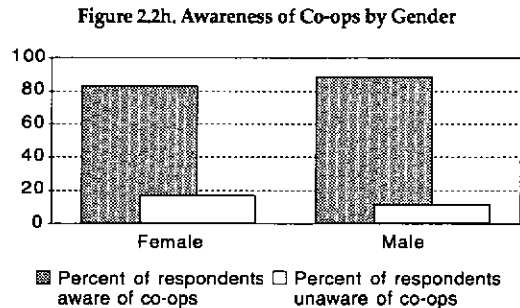
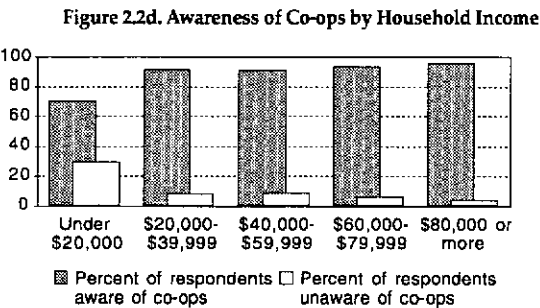
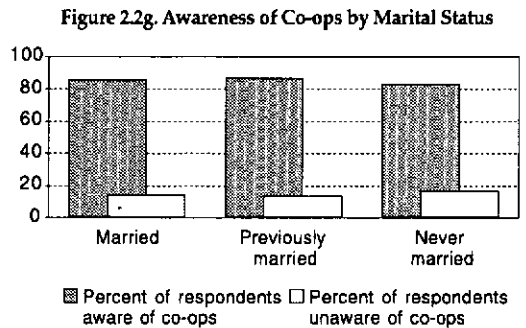
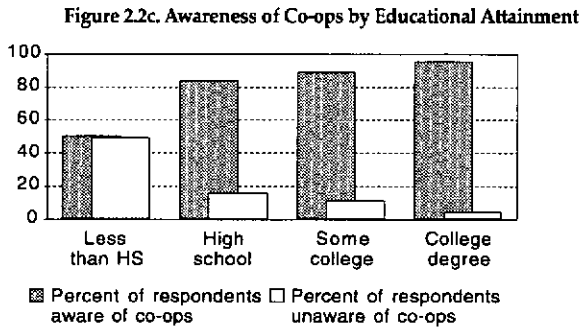
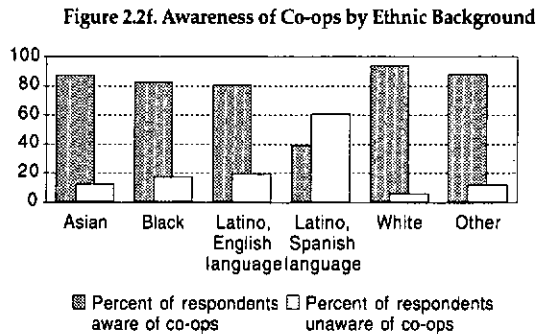
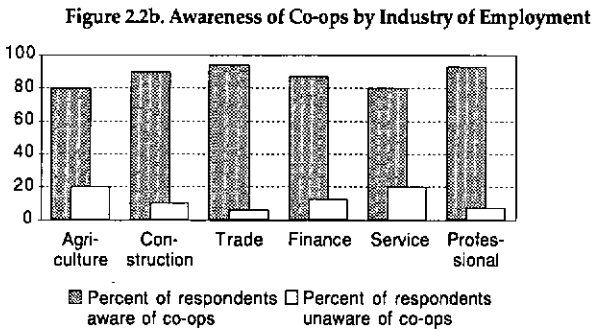
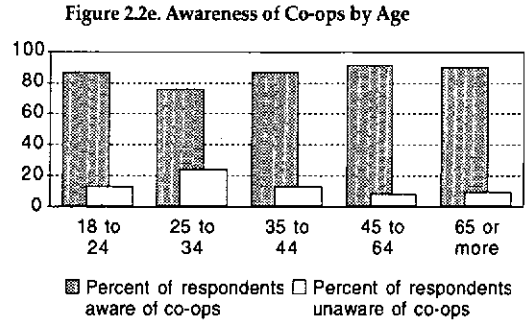
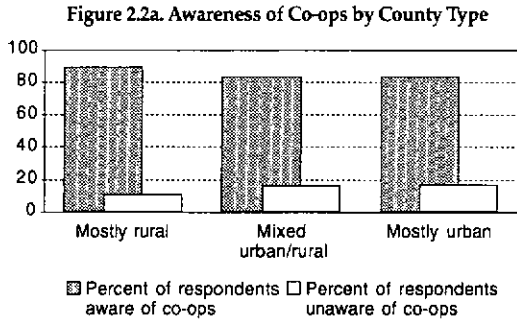
Awareness levels increased with educational attainment and household income. The biggest increase occurred between those with less than a high school education and those who had graduated from high school: the proportion who was aware of co-ops jumped from 51% to 84%.

Respondents 25 to 34 years of age had the lowest co-op awareness level. Twenty-four percent of this group were unaware of co-ops, in contrast to between 9% and 13% among other age groups. Awareness was also slightly greater in the two highest age categories — nine out of ten respondents over the age of 45 were aware of cooperatives.

Relationships between the remaining demographic characteristics and awareness of cooperatives were either weak or non-existent. There was a slight, but still statistically significant, relationship between gender and awareness of co-ops. Men were somewhat more likely than women to be aware of co-ops. A higher proportion of respondents in primarily rural counties was aware of co-ops, but this relationship was not statistically significant. No relationship exists between marital status and awareness of co-ops.

²This discussion does not include the relationship between demographic characteristics and the role of prompting in awareness of co-ops. For those who are interested in the topic, this information is summarized in Appendix Table 2.3.

Figure Set 2.2. Awareness of Cooperatives by Demographic Characteristics[†]
 Have you ever heard of a cooperative?



[†]The percentages used to construct these figures, as well as the number of respondents, are presented in Appendix Table 2.2.

DISCUSSION

The findings on co-op awareness suggest a need for more public information about cooperatives. The fact that over a third of those aware of cooperatives were reminded of them because of a particular product or service area is not surprising. People who are involved with a cooperative often see it as sector specific—that is they see the cooperative as product or service specific rather than as a model that can be used across sectors. Increased education of members and the public about the cooperative model and its applicability to wide-reaching needs could address this issue.

There is nothing about the co-op organization model that makes it intrinsically useful to particular groups of people, yet the demographic findings on awareness found distinct differences among particular demographic groups. These differences suggest the need for cooperative education targeted to Latinos whose primary language is Spanish, as well as individuals who have less than a high school education.

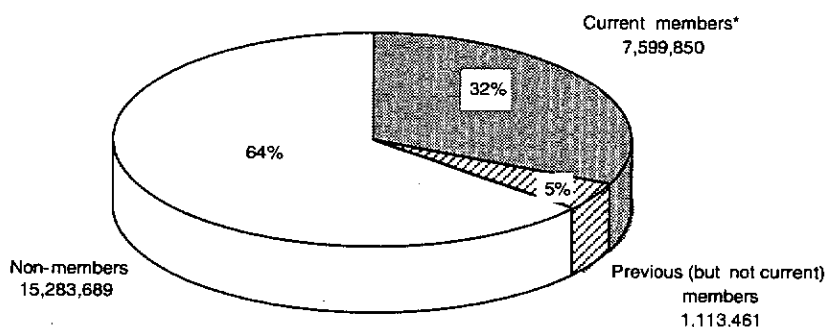
The fact that younger respondents, particularly those under the age of 25, had relatively low awareness levels should be of additional concern. They are the cooperative members of the future. Cooperatives can only be useful tools for addressing problems if individuals are aware of them. This group is an especially important one to target for education.

Chapter 3

AN OVERVIEW OF CO-OP MEMBERSHIP

Approximately one in three California adults surveyed indicated that they currently belong to a cooperative. This translates to an estimated 7.6 million current co-op members in California in 1995. An additional 5% of respondents, or 1.1 million Californians, said that while they were not currently co-op members, they had previously belonged to a cooperative. The remaining 64%, an estimated 15.2 million California adults, indicated that they had never belonged to a cooperative (Figure 3.1).

Figure 3.1. Estimated Co-op Membership in California, 1995[†]



* Includes respondents correctly identifying themselves as current members of any co-op or who indicated that they bank at a credit union.

[†]For results based on a sample of this size (N=1,094), at the 95 percent confidence level, the sampling error is estimated at plus or minus three percent. The percentages used to construct this figure, as well as confidence intervals, and the number of respondents interviewed, are presented in Appendix Table 3.1. Due to rounding, the total adds to 101 percent.

The Estimation Process

Estimates of co-op membership in California were obtained by weighting the sample of interviewed respondents to more closely approximate the distribution of demographic characteristics among adults in California as measured by the 1990 Census. The weighted sample estimates of co-op membership were then applied to the projected adult California population for 1995¹ (Appendix Table 3.1). The aim of the weighting process was to help counteract non-random response bias which often decreases the representativeness of random samples.²

The weighted sample produces a more conservative estimate of co-op membership than the unweighted sample. Prior to weighting, the exact percentage of respondents who were current co-op members was 33.91%; after weighting, the percentage of current co-op members dropped slightly to 31.67%.

RELATIONSHIPS BETWEEN DEMOGRAPHIC CHARACTERISTICS AND CO-OP MEMBERSHIP

Several demographic characteristics were found to be significantly related to current co-op membership status. The most important characteristics were educational attainment, household income, ethnic background and age. Current co-op members in California had more education and higher household income than the state's adult population as a whole. Half of the adults in California had at least some college education, compared with three-fourths of current co-op members. Those with household incomes of \$40,000 or higher were more likely to be current co-op members. The effect of income became less dramatic for income levels of \$80,000 or more (Figure Set 3.2).

Ethnic groups varied in their rates of co-op membership. Blacks, whites and Asians were most likely to be current co-op members; Latinos were least likely. However, when Latinos were subdivided according to the language in which they were interviewed, the results showed that it was only those Latinos who were interviewed in Spanish who were much less likely to be current co-op members. This finding was not recorded in the charts and tables because the comparable census data, which would allow for comparison, was not available.

The relationship between age and co-op membership was nearly as strong as that between ethnic background and co-op membership, but the difference was concentrated within one age group. Those between the ages of 35 and 44 were much more likely than any other age group to be current co-op members. Those 65 years and over were least likely to be members.

Weaker, but still statistically significant relationships exist among industry of employment, marital status, and membership status. Those employed in professional and administrative services were most likely to be current co-op members. Married respondents were more likely to be current co-op members. County type and gender were not related to the likelihood of being a current co-op member.

DISCUSSION

Estimating co-op membership has always been problematic. Figures published, both statewide and nationally, have often varied because they are usually calculated by summing the membership totals of individual cooperatives and/or cooperative associations. This method creates a duplication problem because one individual may belong to more than one cooperative. The membership figures generated from this survey should be helpful in addressing this problem—at least in California.

The demographic findings on members suggest that individuals with less education and income and Latinos whose primary language is Spanish are underrepresented in cooperative membership. Cooperatives may want to target such groups for member recruitment.

¹ Source: *Official State Projections, Report 93 P-3*, California Department of Finance, Demographic Research Unit. The sample was weighted according to 1990, rather than 1995 demographic characteristics because the decennial census of the population is the most accurate source of information on the state's demographic composition. For the purpose of this study, it is reasonable to assume that the population composition has remained relatively constant during the period from 1990 to 1995.

²For a more complete discussion of response bias, see Chapter 1, Methodology Section.

Figure Set 3.2. Demographic Characteristics for Current Co-op Members[†] and California Population^{††}

Figure 3.2a. County Type for Current Co-op Members and California Adult Population

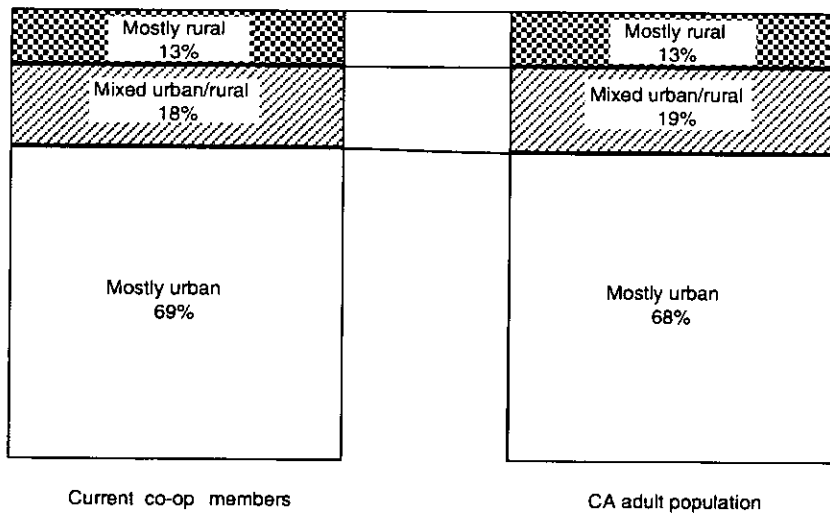
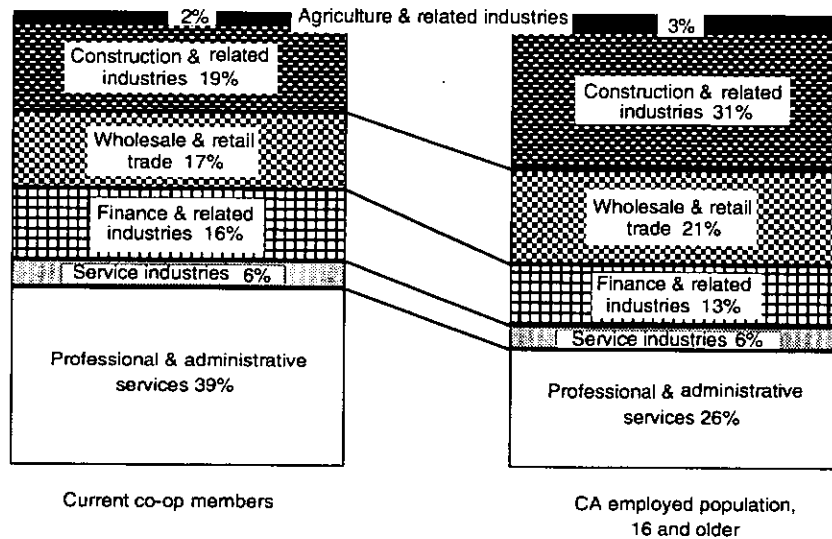


Figure 3.2b. Industry of Employment for Current Co-op Members and California Employed Population, 16 and Older



[†]Estimates are based on a weighted distribution for 371 respondents who correctly identified themselves as current members of any co-op or who indicated that they bank at a credit union. For results based on a sample of this size, at the 95 percent confidence level, the sampling error is estimated at plus or minus five percentage points. Statewide estimates of the number of current co-op members for demographic groups are presented in Appendix Table 3.2. Due to rounding, totals may not add to 100 percent.

^{††}Percentage distributions for the California population are based on the 1990 Census of the Population. This information has been included to provide a context for the demographic profile of current co-op members. When possible, population figures represent Californians 18 years of age and over. Exceptions include the distribution for the following characteristics: 1) industry of employment, which describes the employed population, age 16 and older; 2) educational attainment, which describes the population age 25 and older (the census does not summarize educational attainment for those between 18 and 24 years of age); 3) household income, which describes all households; and 4) ethnic background, which describes the population for all ages.

Figure 3.2c. Educational Attainment for Current Co-op Members and California Population, 25 and Older

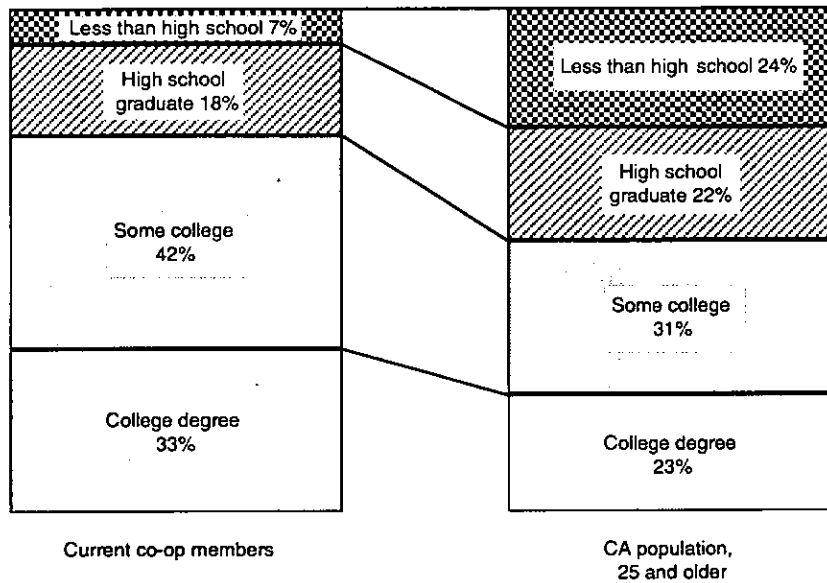


Figure 3.2d. Household Income for Current Co-op Members and California Households

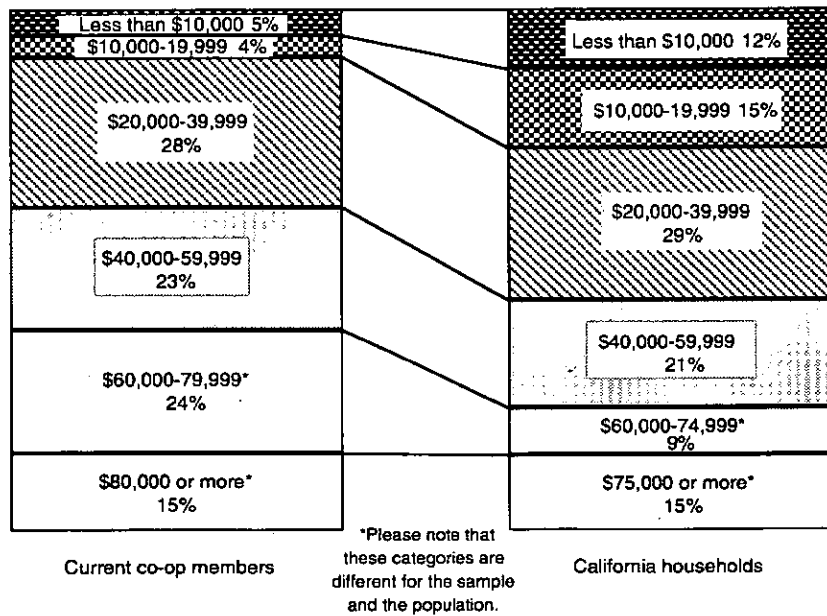


Figure 3.2e. Age for Current Co-op Members and California Adult Population

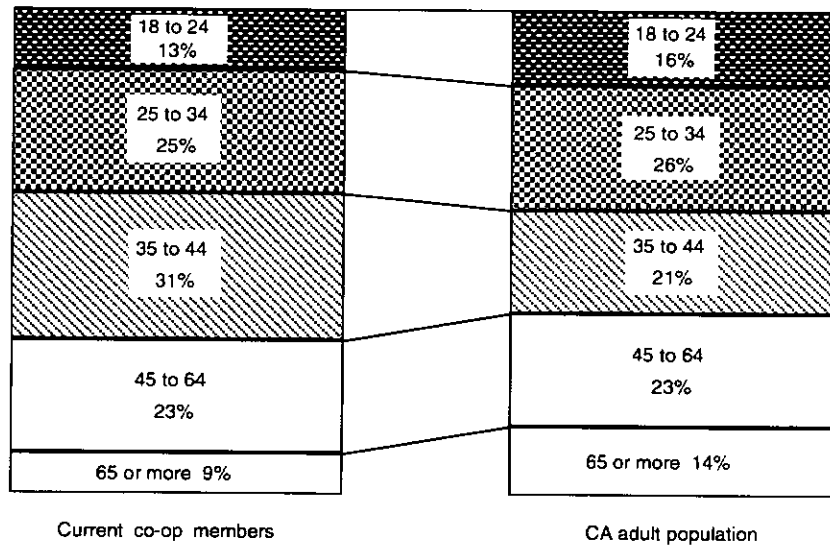
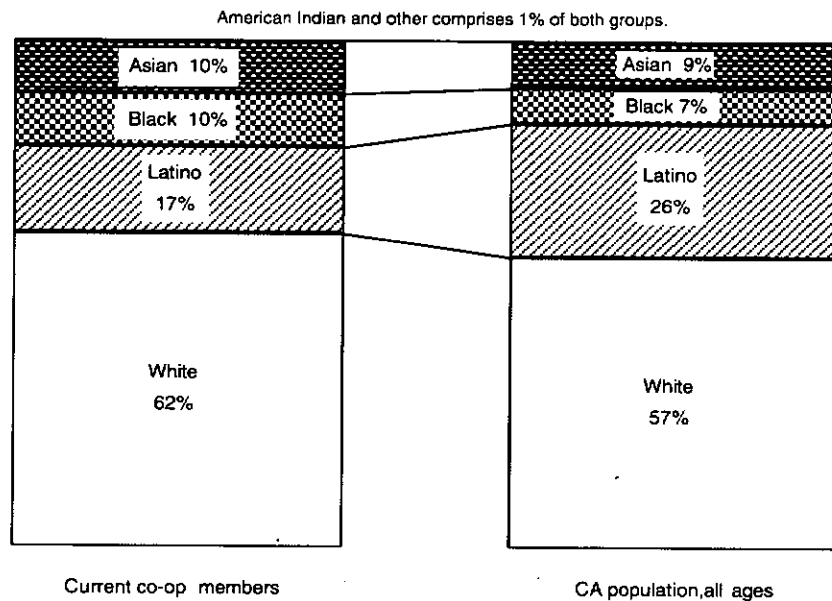


Figure 3.2f. Marital Status for Current Co-op Members and California Adult Population[†]



[†]When Latinos were subdivided according to language in which they were interviewed, the results revealed that Latinos who were interviewed in Spanish, were much less likely to be current co-op members. Membership numbers for both Spanish and English speaking Latinos are combined here because comparable census data, which would allow comparisons, was not available.

Figure 3.2g. Marital Status for Current Co-op Members and California Adult Population

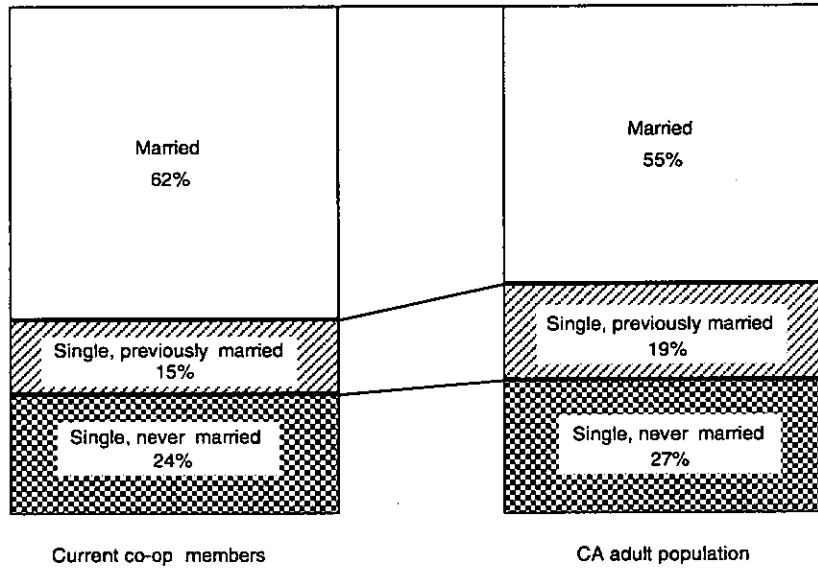
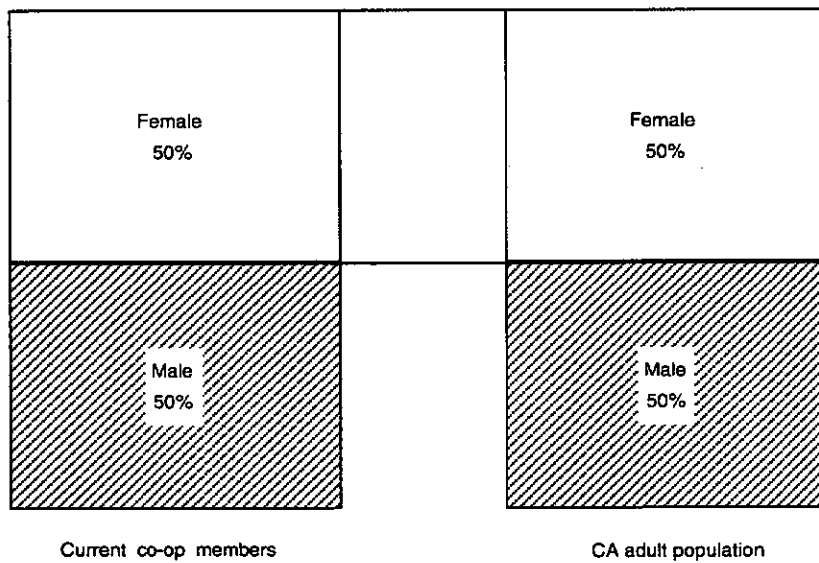


Figure 3.2h. Gender for Current Co-op Members and California Adult Population



Chapter 4

AN OVERVIEW OF KNOWLEDGE ABOUT CO-OPS

Knowledge of co-ops has been conceptualized as a multi-dimensional continuum, ranging from something simple, like recognition of a business as a co-op, to something more complex, like being able to describe how co-ops work. For this study, three basic types of indicators were developed to measure different dimensions of co-op knowledge: 1) recognition of co-ops; 2) identification of co-ops; and 3) description of co-ops. This chapter begins with an examination of the findings for each type of knowledge indicator and concludes with a consideration of overall co-op knowledge and orientation.

SECTION A: RECOGNITION OF CO-OP AREAS AND BUSINESSES

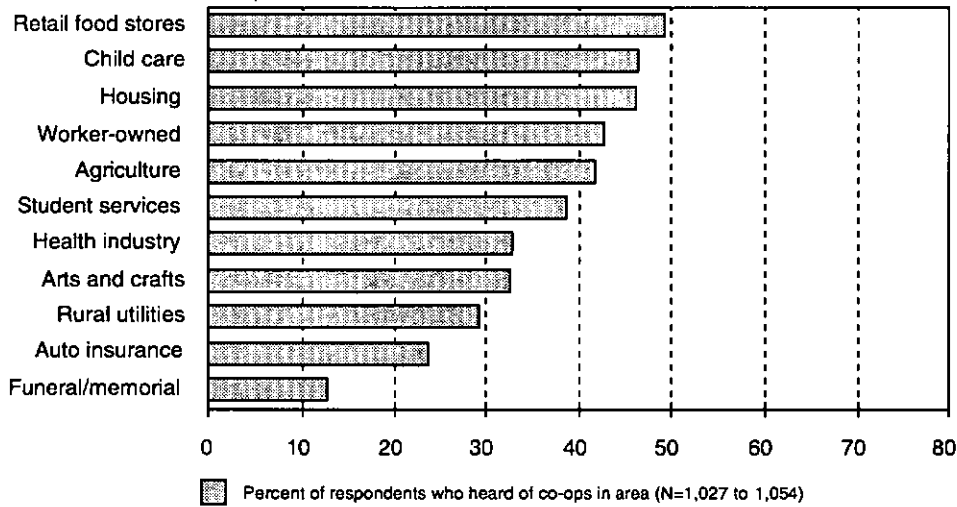
Co-op Products, Services, and Business Areas

Respondents were read a list of products, services, and business areas and asked whether or not they had heard of a cooperative in the area. In fact, cooperatives have been established throughout the United States in each of the eleven areas listed on the survey. Responses to this series of questions indicated which areas Californians were most likely to associate with the cooperative organizational structure.

Retail food stores were the most widely recognized; half of all Californians surveyed said they had heard of cooperative retail food stores. Recognition levels for child care and housing cooperatives were also high. Forty-seven percent of respondents had heard of child care or nursery school co-ops, and 46% had heard of housing co-ops. Respondents were nearly as likely to recognize worker-owned businesses and agricultural co-ops; more than four out of ten respondents had heard of co-ops in these areas (Figure 4.1).

Recognition levels for two service areas, automobile insurance and funeral and memorial societies were markedly lower than any other area. Less than one-fourth of all Californians were aware of cooperative automobile insurance and only one-eighth had heard of cooperative funeral and memorial societies.

Figure 4.1. Recognition of Co-op Areas for All Respondents[†]
Have you heard of cooperatives in this area?



[†]The percentages used to construct this figure, as well as the number of respondents for each item, are presented in Appendix Table 4.1.

Specific Co-op Businesses

Respondents were read a list of specific businesses and asked whether or not they thought it was a cooperative. All seven businesses listed are cooperatives that operate in California. They were selected primarily because of their potential for high name recognition as a product or service, but not necessarily as a cooperative business. A conscious attempt was made to present a variety of business areas.

Recognition of specific co-op businesses varied almost as much as recognition of co-op areas. Credit unions were the business most frequently recognized as a co-op, with 45% of respondents correctly stating that their local credit union was a co-op (Figure 4.2).

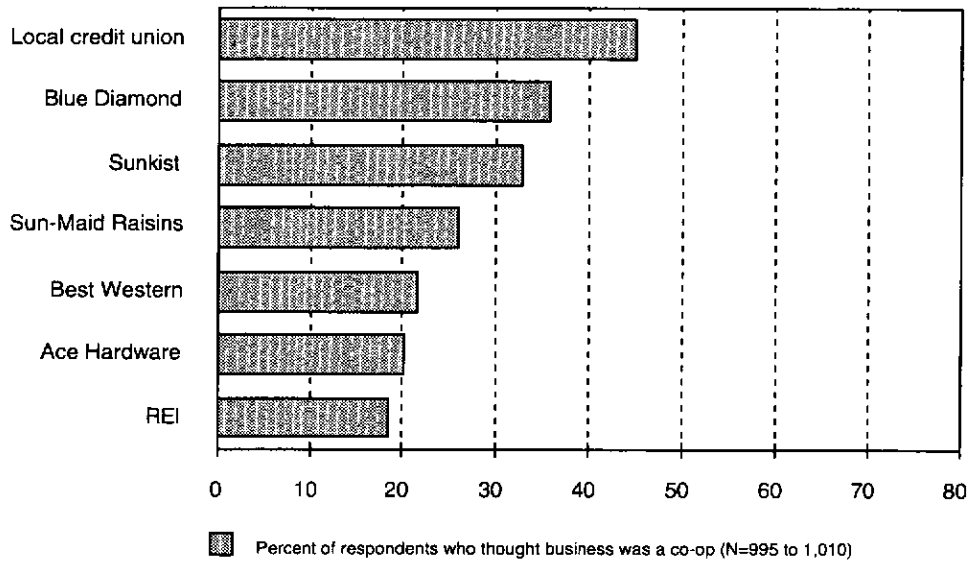
Three agricultural co-op businesses with different product areas were included on the list—Sunkist Oranges and Citrus, Sun-Maid Raisins, and Blue Diamond Almonds. Of these three businesses, Blue Diamond and Sunkist were recognized as cooperatives; one-third of Californians knew these two businesses were co-ops. With just over one-fourth of respondents indicating that they thought it was a cooperative, Sun-Maid was the agricultural business least frequently recognized as a co-op. It is interesting to note that recognition levels for specific agricultural businesses were lower than general recognition of agriculture as an area in which cooperatives operate.

The remaining businesses—Best Western Motels, Ace Hardware, and REI—were recognized as co-ops by approximately two out of ten respondents. REI (Recreational Equipment Incorporated) was the business least commonly recognized as a co-op; just 19% of respondents thought it was a cooperative.

The Influence of Co-op Membership on Recognition

One would expect that people who belong to a cooperative, either currently or previously, would have knowledge of a greater variety of cooperative products, services, and businesses than non-members. While this was true for nearly all the co-op areas respondents were asked about, it was not the case for a majority of the specific businesses (Figures 4.3 and 4.4).

Figure 4.2. Recognition of Specific Co-op Businesses for All Respondents[†]
 Do you think this business is a cooperative?



[†]The percentages used to construct this figure, as well as the number of respondents for each item, are presented in Appendix Table 4.2.

In ten of eleven areas, respondents who identified themselves as previous or current members of any kind of co-op were more likely to have heard of co-ops in the areas asked about. The difference is especially significant in four areas—retail food stores, child care, student services, and retail arts and crafts.

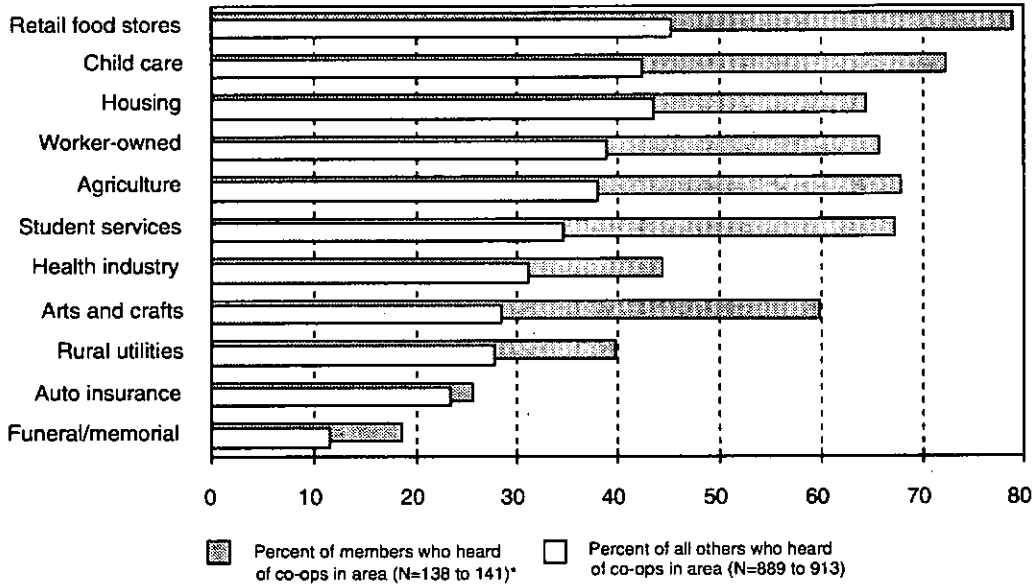
Retail food store co-ops are the most widely recognized area for both members and non-members. Over three-fourths of co-op members said they had heard of retail food store co-ops, but recognition drops to 45% for non-members. The pattern is very similar, but not quite as dramatic, for recognition of child care co-ops.

Additional areas where membership strongly affects recognition include: housing; worker-owned businesses; agriculture; student services; and retail arts and crafts. In these areas, members were much more likely (sometimes as much as two times more likely) to recognize co-ops than are non-members.

Co-op members were also more likely than non-members to recognize two specific co-op businesses as cooperatives: their local credit union and REI. While credit unions were most widely recognized as a co-op among both members and non-members, 62% of co-op members said their local credit union was a co-op, compared to 43% of non-members. Members were two times more likely than non-members to recognize REI as a co-op.

Figure 4.3. Recognition of Co-op Areas by Membership Status[†]

Have you heard of cooperatives in this area?

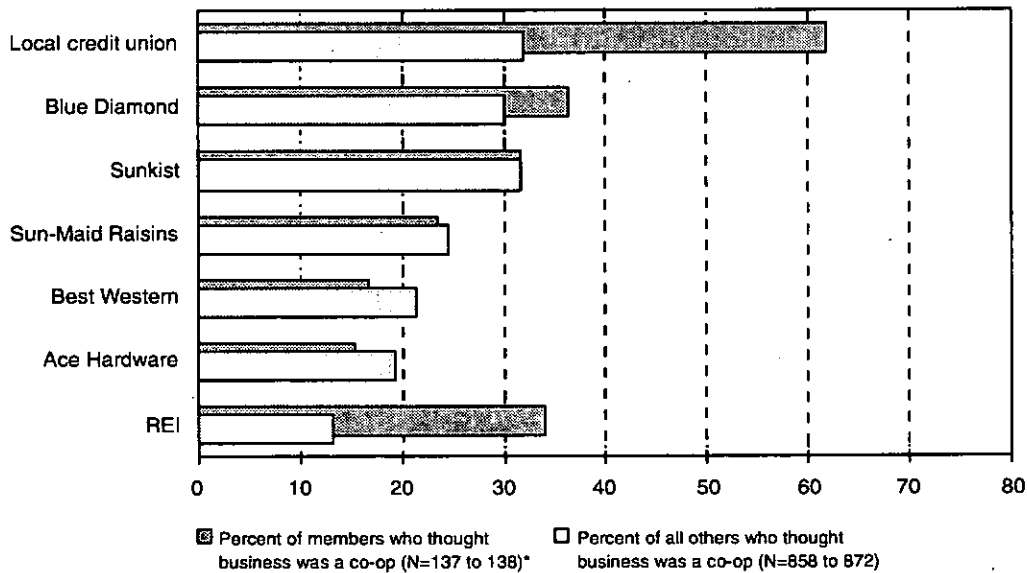


**Includes all respondents correctly identifying themselves as previous or current members of any co-op*

[†]The percentages used to construct this figure, as well as the number of respondents for each item, are presented in Appendix Table 4.3.

Figure 4.4. Recognition of Co-op Businesses by Membership Status^{††}

Do you think this business is a cooperative?



**Includes all respondents correctly identifying themselves as previous or current members of any co-op*

^{††}The percentages used to construct this figure, as well as the number of respondents for each item, are presented in Appendix Table 4.4.

Recognition of cooperative automobile insurance was the only area in which recognition was not significantly influenced by membership status. This means that co-op members were no more likely than non-members to have heard of cooperative automobile insurance.

For five of the seven specific businesses respondents were asked about, membership had no effect on recognition. In fact, for four specific businesses—Sunkist, Sun-Maid, Best Western, and Ace Hardware—non-members were sometimes equally, or even more likely, to recognize the business as a cooperative. These differences, however, are too small to be statistically significant.

Controls for Recognition

In designing the interview, every effort was made to avoid influencing respondents' answers. Ideally, some non-cooperative businesses would have been included as controls in the cooperative business list. However, the possible negative consequence of the controls influencing responses to subsequent questions was felt to outweigh the benefit. Information gained from the focus groups indicated that if, for example, a business like Price Club was included as a control in the cooperative business list, some respondents, particularly those with less established knowledge of cooperatives, would assume it was a co-op, and would answer subsequent questions with this erroneous assumption.

Although the lack of a control group prevents us from saying whether recognition of co-op businesses is overstated, the pattern of responses suggests that if present, any overstatement is minimal. If respondents had assumed they were being read a list of co-ops, and responded accordingly, one would expect recognition to increase progressively throughout the list, and that areas and businesses read later would have higher recognition levels than those read earlier. Instead, recognition levels vary up and down throughout the list, and recognition of the later items was roughly half that of the first item.

SECTION B: IDENTIFICATION OF CO-OPS

Although identification and recognition measure a similar dimension of knowledge, identification reflects a greater depth of knowledge. Recognition was measured with a series of closed-ended questions, involving recognition of items read from a structured list. In contrast, identification was measured with a series of open-ended questions, requiring respondents to provide names of co-ops that they were familiar with.

All respondents who indicated that they were aware of co-ops, (either with or without prompting, discussed in Chapter 2), were asked to name up to four co-ops that they either belonged to or were aware of. Thirty percent of all respondents interviewed were able to correctly identify at least one co-op. Some respondents identified organizations that were not actually co-ops: 5% provided correct as well as incorrect identifications, but another 6% provided only incorrect identifications. Sixty percent of all respondents were unable to identify a cooperative (Figure 4.5).

A wide variety of co-ops were identified, but consumer and other non-agricultural co-ops were identified more often than agricultural co-ops. Seventy-two percent of those who identified a co-op named a consumer or other non-agricultural co-op, 15% named an agricultural co-op, and 13% named both kinds of co-ops.¹

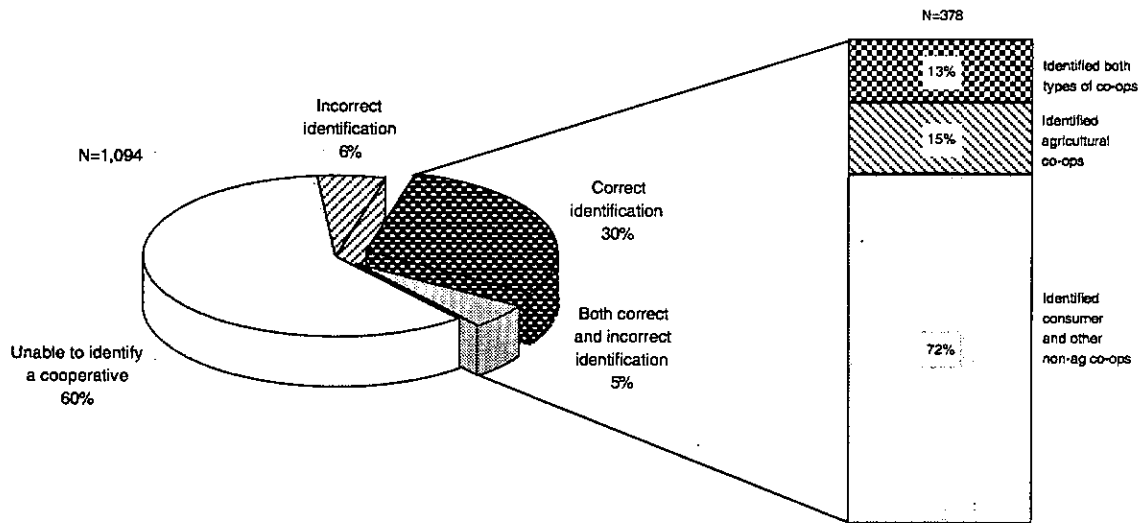
Consistent with patterns of co-op recognition, retail food store co-ops and buying clubs were by far the most frequently identified type of co-op. They were named by nearly half of those able to identify a co-op (Table 4.6).

Among those respondents who identified a retail food co-op or buying club, approximately six out of ten gave a general response, and four out of ten identified a specific co-op by name. Examples of general identification included "co-op grocery store," "neighborhood food co-op," and "share co-op

¹It should be noted that in the following examination of the relative frequency with which different kinds of co-ops were named, percentages cited are based upon a subset of respondents: the 35% who correctly identified a co-op, including those who provided correct as well as incorrect identifications.

Figure 4.5. Ability to Identify Cooperatives[†]

Open-ended question: What are the names of up to four co-ops that you belong(ed) to or are aware of?



[†]The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Tables 4.5a and 4.5b. Due to rounding, the totals may not add to 100 percent.

Table 4.6. Co-op Businesses, Services, and Product Areas Identified

Open-ended question: What are the names of up to four co-ops that you belong(ed) to or are aware of?

	Percent	Number of Respondents
Retail food stores/buying clubs	47.1	178
Agricultural co-ops	27.8	105
Child care co-ops	12.2	46
Recreation co-ops	9.8	37
Credit unions	7.9	30
Student service co-ops	7.7	29
Housing co-ops	7.1	27
Worker-owned co-ops	5.0	19
Utility co-ops	3.4	13
Business co-ops	3.4	13
Health services and insurance co-ops	2.9	11
Arts and crafts co-ops	1.6	6
Gardening/nursery co-ops	.8	3
Funeral and memorial societies	.5	2
Miscellaneous co-ops	6.3	24
Unable to classify co-op type	5.6	21
Total	**	378[†]

** Percentages and number of respondents are not summed because respondents were given the opportunity to identify more than one co-op.

[†]The 564 responses identified are based on information provided by 378 respondents who were given the opportunity to identify more than one co-op.

through church." The three specific food co-ops most frequently identified were the Berkeley Co-op, the Arcata Co-op, and the Palo Alto Co-op (Figure 4.7).

Relative to other kinds of co-ops, identification of agricultural co-ops was higher than recognition. While agriculture was the fifth most recognized co-op area, it was the second most frequently identified. More than one-fourth of respondents who were able to identify a co-op named agricultural co-ops.

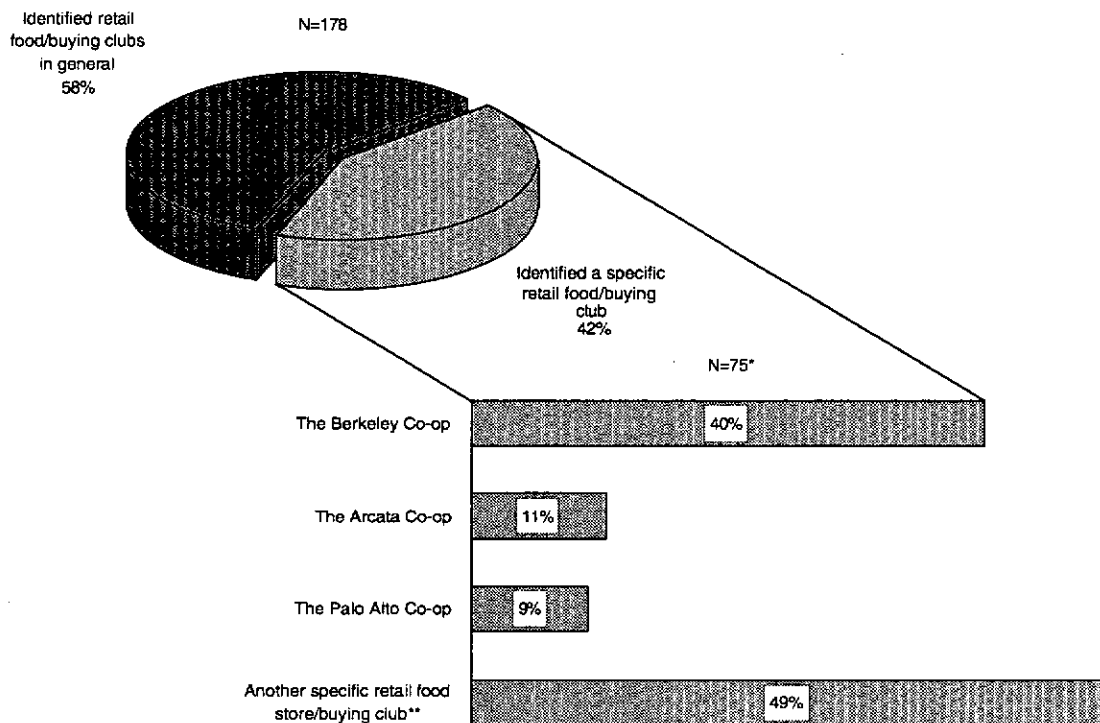
Two-thirds of those respondents who identified an agricultural co-op provided a specific co-op or product area, the remaining one-third gave a general response. Examples of general identification included "farmers co-ops" and "the agricultural co-op in Iowa." (Figure 4.8.)

Non-citrus fruits and nuts were the most frequently identified product area, followed by citrus fruits. The most frequently identified specific agricultural co-ops were Sunkist, Blue Diamond, Sun-Maid, Rice Growers, Sun Diamond, and Sunsweet. Please note that the first three of these co-ops were components of the recognition list.

Identification levels for other kinds of co-ops were dramatically lower. Twelve percent of respondents identified child-care co-ops, which were the second most frequently recognized cooperative area. One out of ten respondents identified recreation co-ops, the majority of which referred to REI.

Figure 4.7. Identification of Retail Food/Buying Clubs[†]

Open-ended question: What are the names of up to four co-ops that you belong(ed) to or are aware of?



* Percentages do not sum to 100 because respondents were given the opportunity to provide more than one response.
 ** Less than five percent of respondents identified each specific co-op in this category.

[†]The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Tables 4.7a and 4.7b.

How Californians See Cooperatives

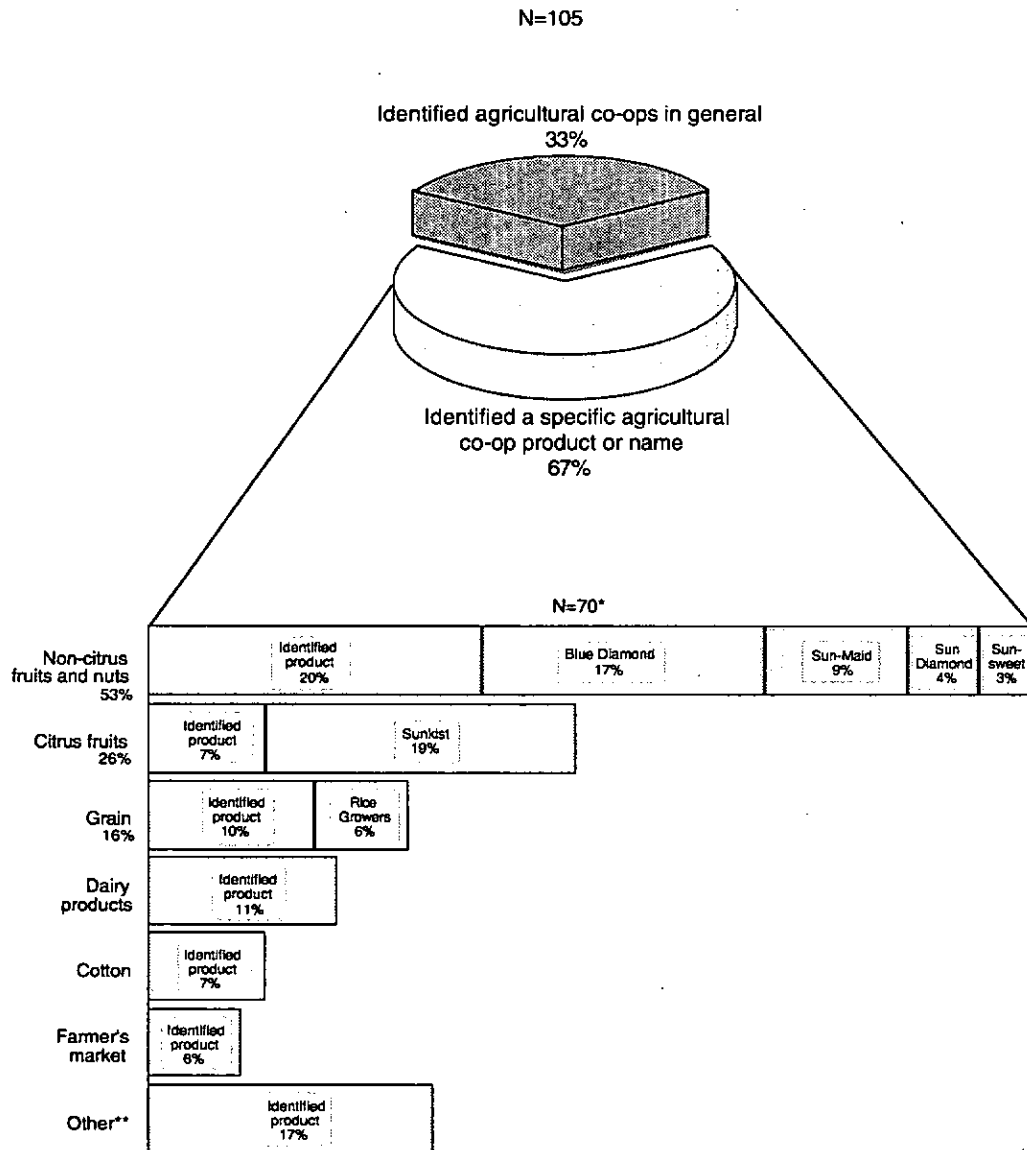
Identification of credit unions, student service co-ops, and housing co-ops were similar. Credit unions and student service co-ops were each identified by 8%, housing co-ops by 7%.

Because respondents identified a diverse group of co-ops, consumer co-ops that were identified by less than 2% of respondents were combined into one category, including organizations as diverse as Fedco, clothing co-ops, and computer co-ops. The co-ops that could not be categorized by type are included in the "unable to classify" category.

Approximately one out of ten respondents identified organizations that were not actually co-ops.

Figure 4.8. Identification of Agricultural Cooperatives[†]

Open-ended question: What are the names of up to four co-ops that you belong(ed) to or are aware of?



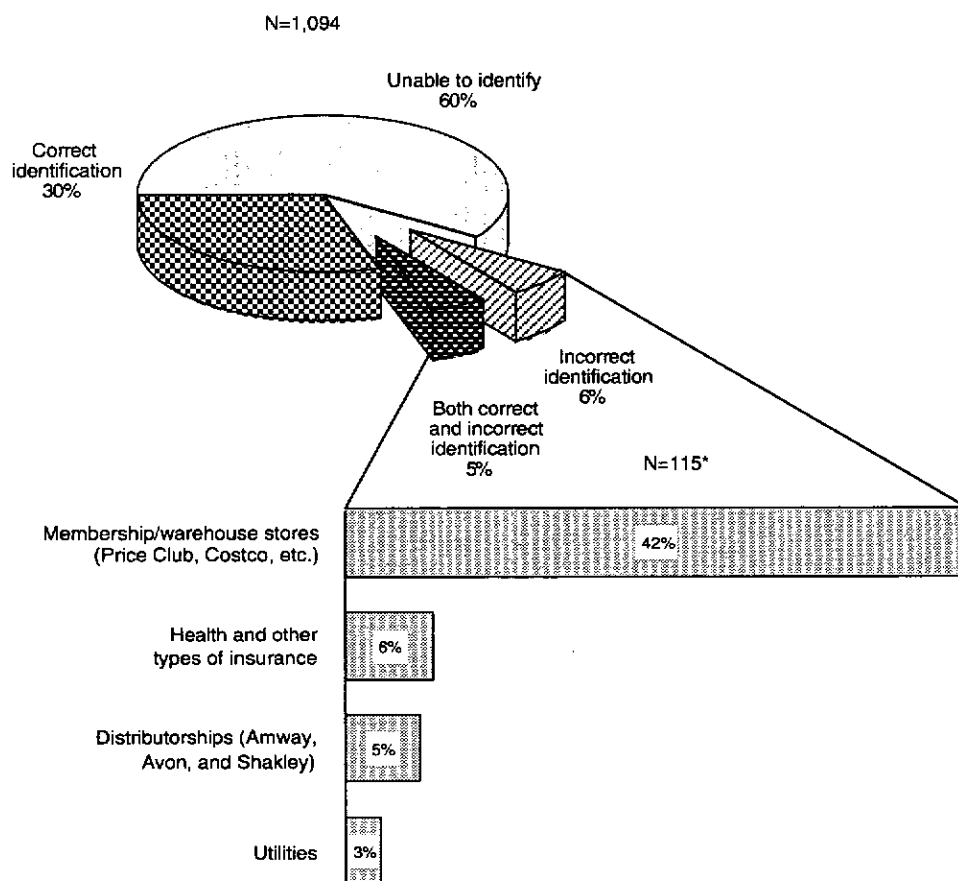
* Percentages do not sum to 100 because respondents were given the opportunity to provide more than one response.
** Less than three percent of respondents identified each specific co-op in this category.

[†]The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Tables 4.8a through 4.8c.

As discussed earlier, a little less than half of this group also identified an organization that was a co-op. Membership and warehouse stores were the organizations most frequently mistaken for cooperatives. Forty-two percent of those respondents who identified an organization that was not actually a cooperative named membership and warehouse stores like Price Costco, Sam's Club, and Home Depot. Other frequently mis-identified organizations included health and other types of insurance, various types of utilities, and distributorships like Amway, Avon, and Shaklee (Figure 4.9).

Not reflected in Figure 4.9., but included in Appendix Table 4.9., are those respondents who incorrectly identified an organization which did not comprise a large enough group to justify a separate category, or could not be classified. Among the businesses identified in this category were fast-food and gas station franchises, department stores, and grocery stores. Among the other organizations identified in this category were charities, unions, cooperative education, internships, and timeshares.

Figure 4.9. Organizations Frequently Incorrectly Identified as Co-ops[†]
 Open-ended question: What are the names of up to four co-ops that you belong(ed) to or are aware of?



[†]Not shown here are the 57% in the "other" category. These appear in Appendix Table 4.9.
 Percentages do not sum to 100 because respondents were given the opportunity to provide more than one response.

[†]The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Table 4.9.

SECTION C: FAMILIARITY WITH CO-OPS—A SYNTHESIS OF RECOGNITION AND IDENTIFICATION

Consideration of respondents' recognition and identification provides an indicator of overall familiarity with co-ops. As mentioned earlier, 35% of all respondents interviewed were able to correctly identify a co-op. Although 45% of all respondents were unable to identify a co-op, they did recognize co-ops read to them during the interview. The remaining 20% were not familiar with co-ops; they had not heard of co-ops on the recognition lists and were unable to identify a co-op (Figure 4.10a).

Combining responses of recognition and identification into a single category called familiarity allows a clearer picture of those unfamiliar with cooperatives and it also allows comparisons to be made between consumer and agricultural co-ops. Respondents were generally less familiar with agricultural co-ops than with consumer and other co-ops. Four out of ten respondents neither recognized nor identified an agricultural co-op. Just one out of ten respondents was able to identify an agricultural co-op (Figure 4.10b).

SECTION D: ABILITY TO DESCRIBE A COOPERATIVE

Another important dimension of knowledge about cooperatives is an understanding of what co-ops are used for and how they work. Respondents who said at the beginning of the interview that they had heard of co-ops were later asked to describe one.

Forty-one percent of all respondents were able to describe one or more aspects of cooperatives. Twelve percent could not provide a description of a cooperative. Most of this sub-group were unable to describe a co-op, but some respondents provided incorrect descriptions. These descriptions often included organizations that are not co-ops, like cooperative education programs and internships (Figure 4.11).

Since a little more than half of all respondents—just 53% who were aware of co-ops without prompting—were asked to describe a co-op, it is also useful to look at the findings in terms of just those respondents who actually received the question. Basing percentages on this group alone shows that 77% of those asked were able to describe one or more aspects of co-ops. The remainder were either unable to describe co-ops (18%) or gave an incorrect description (5%).

Two-thirds of those who were able to describe a co-op included the idea of a group endeavor involving people or businesses joining together. Examples include: "group of people who get together to work," "pooling of resources or group effort," and "a number of dealers who form a co-op to sell something."

Nearly half of those who described cooperatives mentioned economic benefits, often in conjunction with the concept of group endeavor. Descriptions ranged from relatively abstract principals like, "gathering of common interests to increase purchasing power," to more concrete outcomes like, "buy in bulk and get price breaks."

More than one-fourth of respondents who described a co-op referred to meeting a common objective or goal. As the following examples illustrate, descriptions referred to objectives shared by both individuals and businesses: "a group where individuals work together for the common good of everybody," and "a group of similar businesses working for a general goal."

SECTION E: CO-OP KNOWLEDGE

Up to this point, three dimensions of co-op knowledge have each been examined separately—recognition, identification, and description. In order to look at knowledge of cooperatives in a more comprehensive way, these dimensions were combined to create an index of co-op knowledge. Since identifying and describing cooperatives reflect a higher level of knowledge than simply recognizing a co-op, responses to these two dimensions were given greater weight in the index. The relative weight

Figure Set 4.10. Familiarity with Co-ops: Ability to Identify and Recognize Co-ops[†]

Figure 4.10a. Familiarity with Cooperatives^{**}

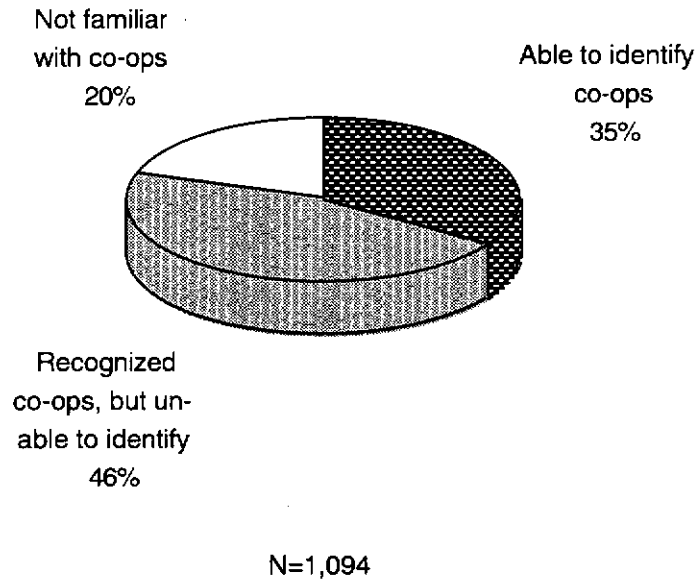
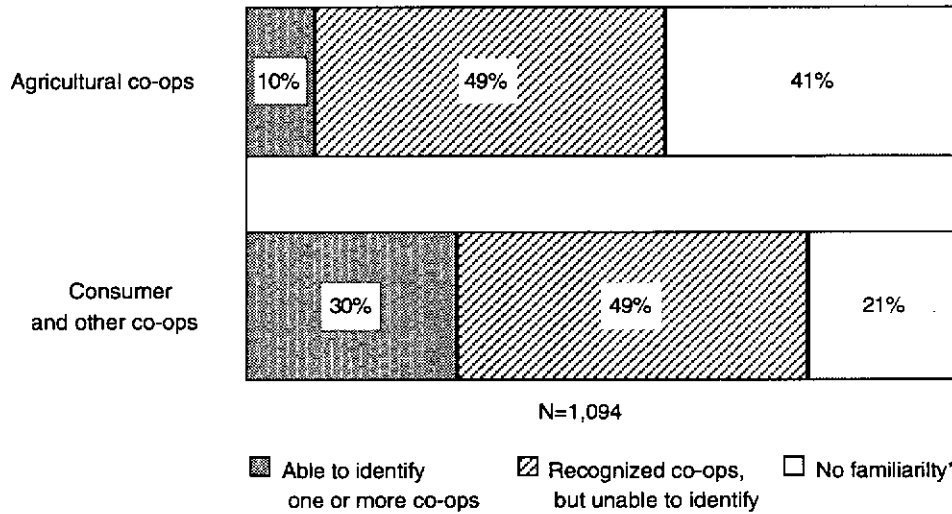


Figure 4.10b. Areas of Familiarity with Cooperatives



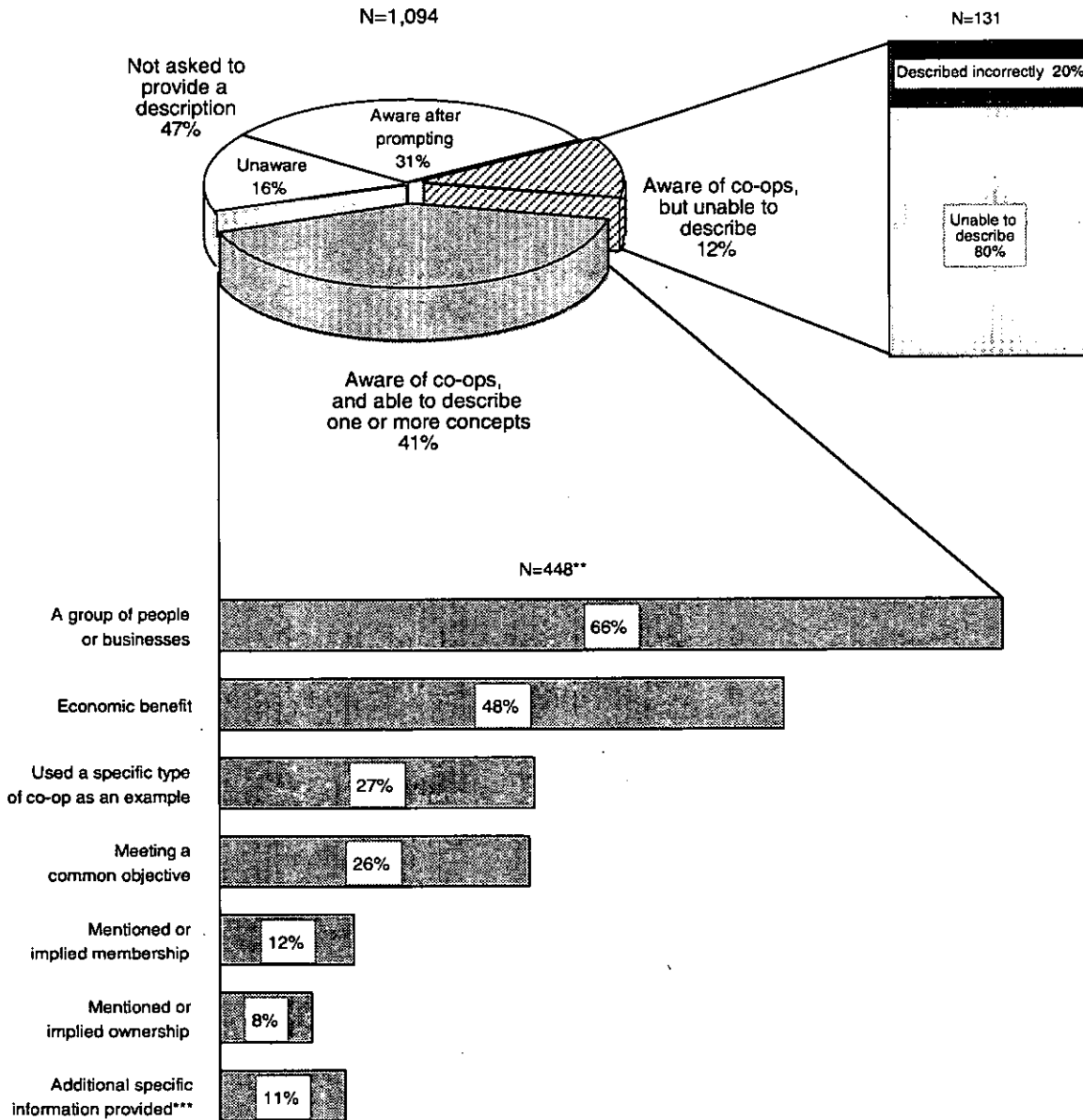
*Includes respondents who had no awareness of co-ops and those who could not recognize or identify any co-ops.

[†]The percentages used to construct these figures, as well as the number of respondents, are presented in Appendix Table 4.10.

^{**}Due to rounding, these percentages sum to 101 percent.

Figure 4.11. Ability to Describe a Cooperative†

Open-ended question: Based on what you've heard, could you tell me, in a few sentences, what a cooperative is?



** Percentages do not sum to 100 because respondents were given the opportunity to provide more than one response.

***Includes other concepts indicating a comprehensive understanding of co-ops.

†The percentages used to construct this figure, as well as the number of respondents, are presented in Appendix Tables 4.11a. and 4.11b.

assigned to each dimension of knowledge is presented in Figure 4.12.

Possible index scores range from a minimum of zero to a maximum of one-hundred. The greater a respondent's knowledge of co-ops, the higher their score on the index. Only respondents who were aware of co-ops (either with or without prompting) were assigned index values. The highest actual score was 95 points. Index points were deducted for incorrect identification or description. Thirty-six respondents scored zero on the index because their index points for incorrect knowledge were greater than their points for correct knowledge. The median score on the knowledge index was 18. The mean score was 23 points, with a standard deviation of 18 points (Figure 4.13).

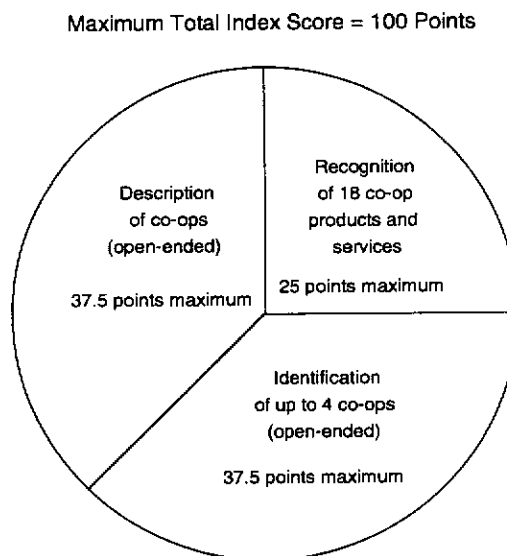
In order to look at the relationship between co-op knowledge and perceptions of co-ops, which is addressed in Chapter 5, index scores have also been divided into three relative levels of knowledge – high, medium, and low. The limits for these categories were selected to preserve differences in knowledge levels and to provide a sufficient number of respondents in each category. Forty-three percent of respondents who were aware of co-ops comprise the lowest level, with index scores between 0 and 14. Another 43% form the medium category, with scores between 15 and 42, and just 15% make up the highest level of co-op knowledge, with index scores between 43 and 100.

Relationships Between Demographic Characteristics, Co-op Membership, and Co-op Knowledge

Co-op members scored higher on the knowledge index than other respondents. Respondents who correctly identified themselves as previous or current members of any co-op had a mean score of 37 points, compared to 20 points for other respondents.

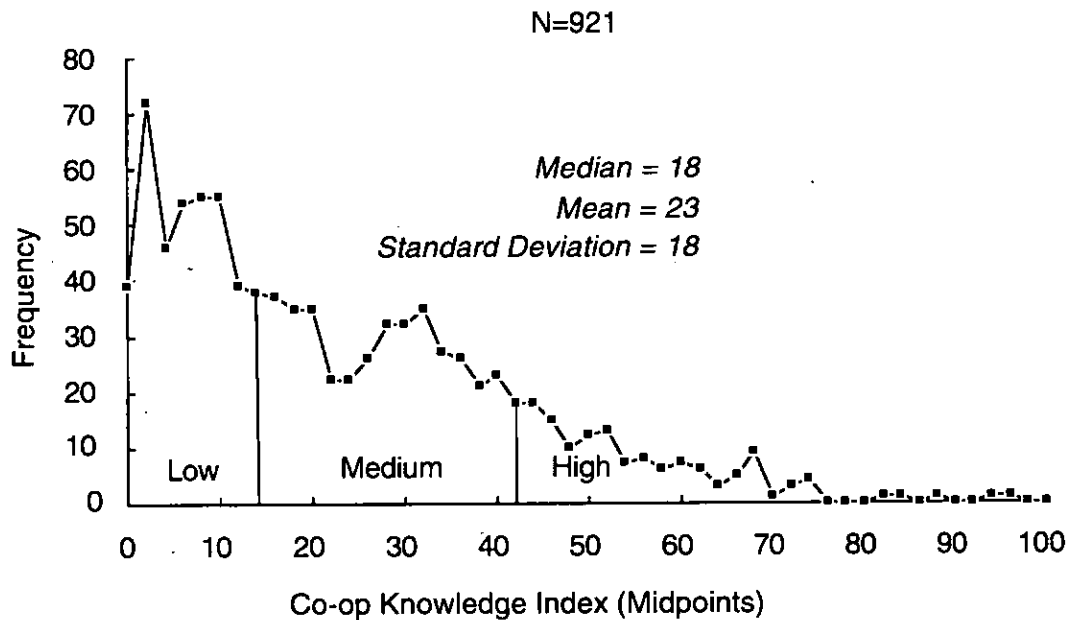
Although knowledge about co-ops was influenced more by co-op membership than any demographic characteristic, when membership is held constant, significant relationships were found be-

Figure 4.12. Components of Co-op Knowledge Index[†]



[†]Additional detail on index construction is presented in Appendix Table 4.12.

Figure 4.13. Distribution of scores on Co-op Knowledge Index*



*A summary of this distribution is presented in Appendix Table 4.13.

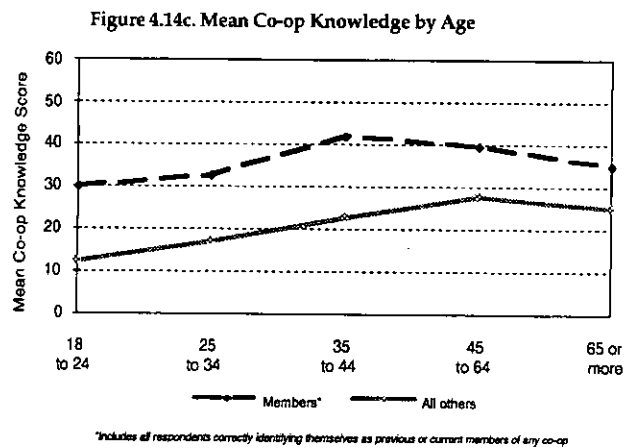
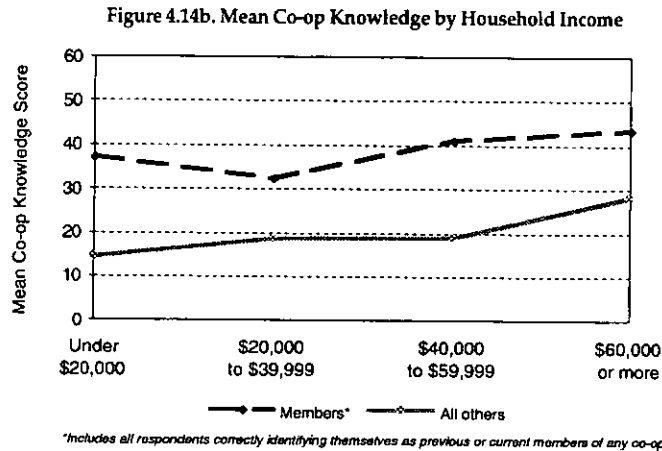
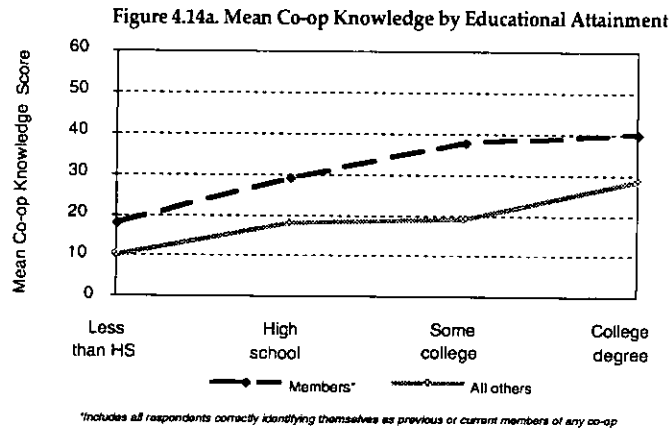
tween all demographic variables and knowledge index scores. The effect was especially strong for education, income, and age. It is interesting to note that these are the same characteristics which were most strongly related to co-op membership (Figure Set 4.14).

Educational attainment stands out as the most important demographic characteristic in relation to knowledge of cooperatives. Knowledge increased dramatically for respondents with the attainment of a high school degree. Average scores rose from 18 to 29 points for members, and from 10 to 18 points for other respondents. However, further increases occurred at different points for co-op members than for other respondents. Among members, scores jumped to 38 points for those with some college and remained relatively stable at 40 points for those with a college degree. Among other respondents, however, there was only a slight increase to 19 points for those with some college education, the substantial increase was for those with a college degree, whose average score was 28 points.

Household income and age were also important in determining knowledge of co-ops. The effect of income was concentrated among those who are not co-op members; they showed a steady rise in knowledge as their household income increased. Scores of non-members in the highest income category, an average of 28 points, were nearly double that of non-members in the lowest income category, who average 15 points.

Although the influence of age on non-member's knowledge is similar in some respects to that of income, there are some important differences. Non-members in the oldest age category have scores twice that of those in the lowest age category. However, with an average of 28 points, non-members between the ages of 45 and 64 years have higher knowledge levels than non-members in any other

Figure Set 4.14. Mean Scores on Co-op Knowledge Index[†] by Demographic Characteristics and Co-op Membership^{††}



[†]Means include only respondents who were aware of co-ops.

^{††}Relationships between other demographic characteristics and co-op knowledge, as well as the means used to construct these figures, and the number of cases, are presented in Appendix Table 4.14.

age group. Among co-op members the increase in knowledge occurred slightly earlier: members between the ages of 35 and 44 have the highest scores.

Relationships between the remaining demographic characteristics and knowledge of co-ops are less dramatic and therefore more difficult to interpret. Whites had higher levels of knowledge than other ethnic groups. It should be noted that small cell sizes for most ethnic groups within the co-op member category make these averages unreliable. Among non-members, Latinos and Asians had the lowest average score.

Males had higher average scores than females, and respondents in mixed urban/rural counties had lower average scores than respondents in either mostly urban or mostly rural counties. Among co-op members, those in mostly rural counties had the highest levels of knowledge. Those employed in agriculture and related industries and professional and administrative services had higher levels of knowledge than respondents employed in other industries.

SECTION F: CO-OP ORIENTATION

This final section on respondent's co-op knowledge examines orientation towards either consumer or agricultural co-ops. Based on their familiarity with different types of co-ops, respondents were categorized according to the type of cooperative they knew the most about or seemed to have had in mind when addressing survey questions. This provides a basis for comparing, in Chapter 5, the knowledge and perceptions of agricultural co-op oriented respondents with those who were consumer co-op oriented.

To summarize the type of cooperative an individual knows the most about, a point system was devised to compare familiarity with two types of co-ops. Two familiarity indexes were used, one for consumer co-ops, and another for agricultural co-ops. Each index was allocated a 30 point maximum based on recognition and identification of cooperatives. A substantial difference between the two index scores indicated a dominant orientation.

As discussed previously, respondents as a whole were more likely to know about consumer co-ops than about agricultural co-ops. Patterns of individual knowledge are consistent with this distribution: knowledge of consumer and other co-ops outweighs knowledge of agricultural co-ops. For one in four respondents, knowledge of co-ops was completely confined to consumer cooperatives. Another 24% knew substantially more about consumer co-ops than agricultural co-ops. Taken together, this means that 45% of all respondents were primarily consumer-oriented.

In comparison, less than half as many respondents—20%—were primarily oriented toward agricultural cooperatives. Most of these respondents also had some knowledge of consumer co-ops: while 18% of all respondents were predominantly oriented toward agricultural co-ops, just 2% knew only about agricultural co-ops. Eleven percent of respondents were equally oriented toward both types of cooperatives. The remaining 25% was composed of two groups: those who had no knowledge of co-ops and those who had incorrect knowledge of co-ops. Since these respondents do not have correct knowledge of cooperatives, they do not have an orientation toward a particular type of co-op (Table 4.15).

Eliminating respondents without an orientation from the distribution and collapsing the index produces three basic categories: 1) those who were oriented toward consumer co-ops; 2) those who were oriented toward agricultural co-ops; and 3) those who were equally oriented toward both types of co-ops. Among these respondents with a measurable orientation, 59% were oriented toward consumer co-ops, 27% were oriented toward agricultural co-ops, and 14% were equally oriented toward both types of co-ops (Figure 4.16).