

Investing in Cooperatives

Maggie Cohn

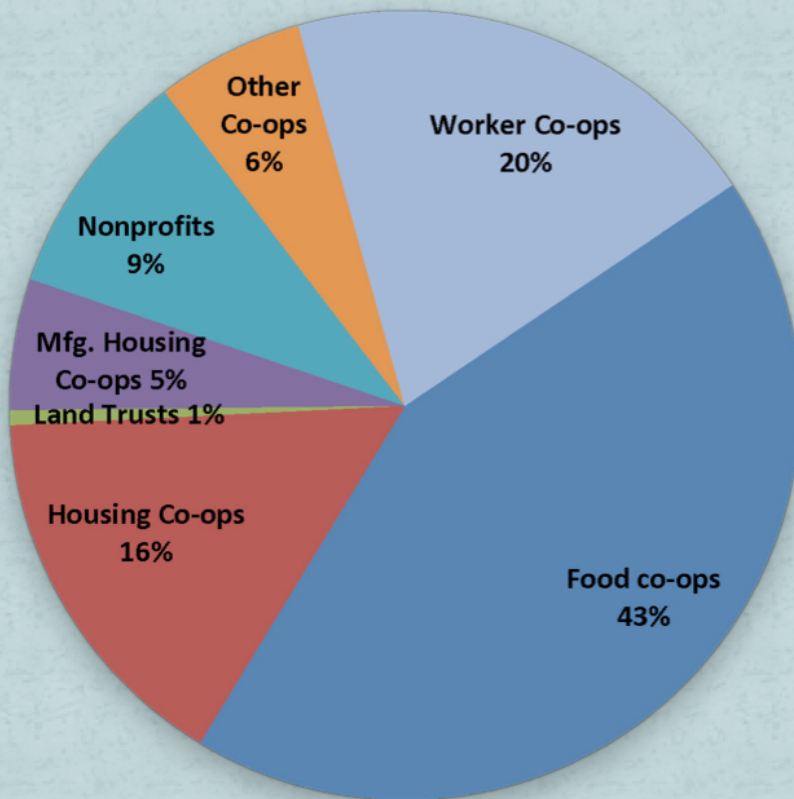
Mark Fick

$$U_0(T, B) = \langle H_0 \rangle - U_B(T)$$

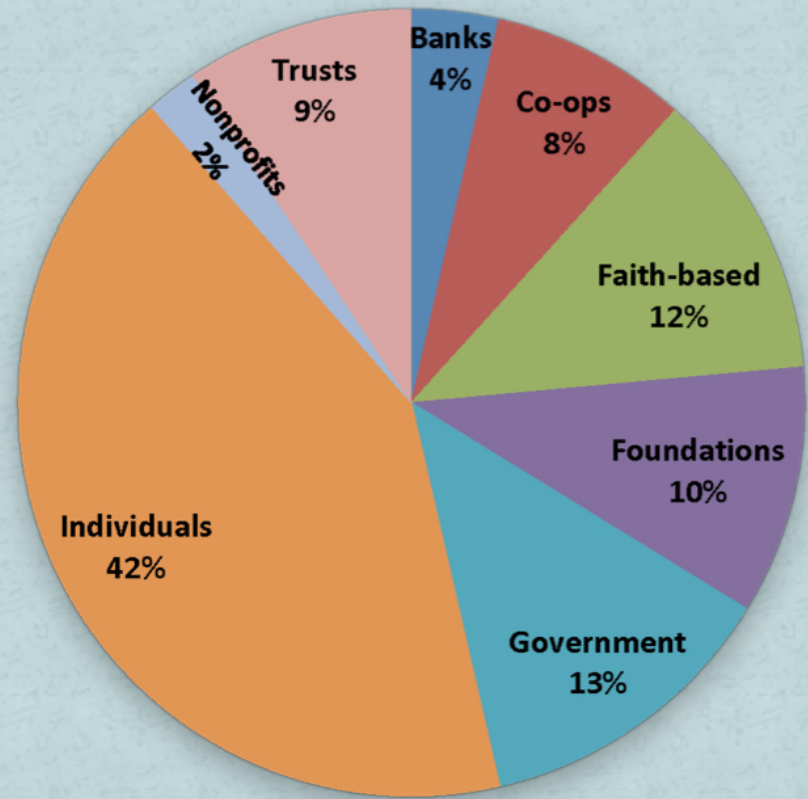
$$\begin{aligned}
 &= \frac{\hbar}{\pi} \int_0^\infty d\omega \coth \left[\frac{\hbar\omega}{2k_B T} \right] \left[\frac{1}{2} m(\omega^2 + \omega_0^2) G(\omega) \right. \\
 &+ \sum_{j=1}^N \frac{mg_j \omega^2}{2} \left(\text{Im} \left[\frac{g_j m_r \omega^2}{m_j(\omega_j^2 - \omega^2)} \alpha_{\rho\rho}(\omega) \right] \right. \\
 &+ \text{Im} \left[\frac{g_j m G(\omega) \omega_0^2}{m_j(\omega_j^2 - \omega^2)} \alpha_{\rho\rho}(\omega) - \frac{2g_j(G(\omega))^2 \lambda}{m_j(\omega_j^2 - \omega^2)} \right. \\
 &+ \sum_{j,k=1}^N \frac{mg_j g_k \omega^2}{2} \text{Im} \left[\frac{g_j g_k m m_r \omega^2 \omega_0^2}{m_j m_k(\omega_j^2 - \omega^2)(\omega_k^2 - \omega^2)} \right. \\
 &- \frac{2g_j g_k m_r \omega^4 \lambda(\omega) e^2 G(\omega) B^2}{m_j m_k(\omega_j^2 - \omega^2)(\omega_k^2 - \omega^2) c^2 \text{Det } D(\omega)} + \\
 &+ \sum_{j=1}^N \frac{1}{2} m_j(\omega_j^2 + \omega^2) \text{Im} \left[\frac{(g_j)^2 m m_r \omega^2 \omega_0^2}{(m_j)^2(\omega_j^2 - \omega^2)^2} \right. \\
 &+ \text{Im} \left[\frac{g_j m G(\omega) \omega_0^2}{m_j(\omega_j^2 - \omega^2)} \alpha_{\rho\rho}(\omega) - \right. \\
 &+ \sum_{j,k=1}^N \frac{mg_j g_k \omega^2}{2} \text{Im} \left[\frac{g_j g_k}{m_j m_k(\omega_j^2 - \omega^2)} \right. \\
 &- \frac{2g_j g_k m_r \omega^4 \lambda(\omega) e^2 G(\omega) B^2}{m_j m_k(\omega_j^2 - \omega^2)(\omega_k^2 - \omega^2) c^2} \\
 &+ \sum_{j=1}^N \frac{1}{2} m_j(\omega_j^2 + \omega^2) \text{Im} \left[\frac{(g_j)}{(m_j)} \right.
 \end{aligned}$$

Cooperative Fund of New England

Borrowers by Type 12/31/15



Investors by Type 12/31/15

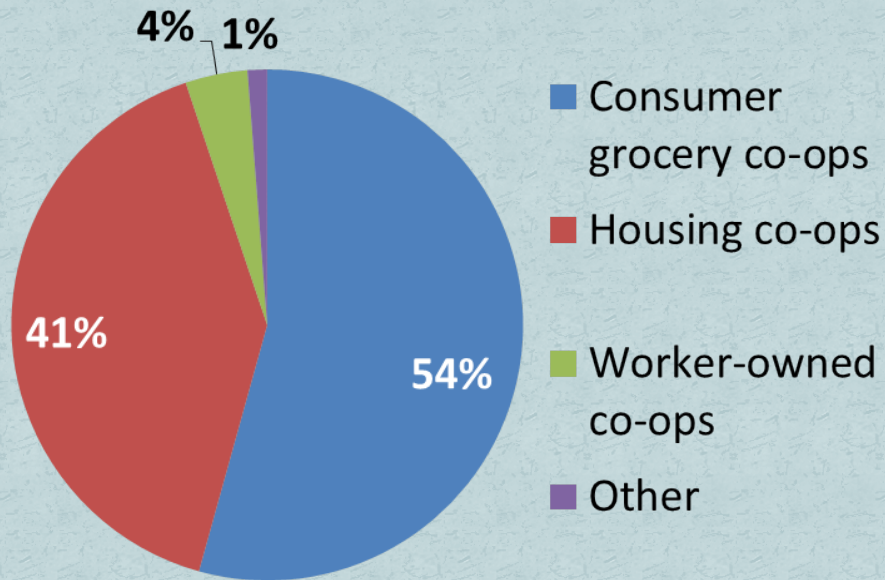




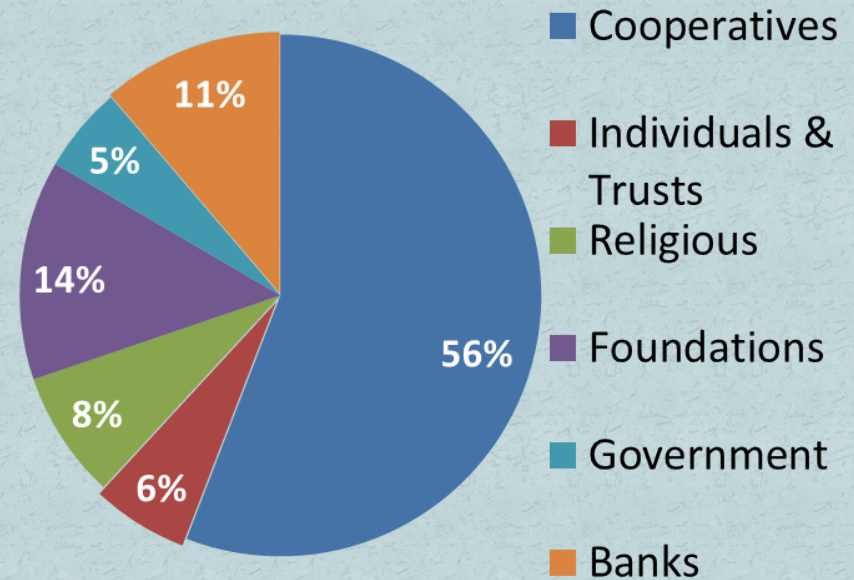
Shared Capital Cooperative™

BUILDING ECONOMIC DEMOCRACY

Loan Portfolio



Investment Sources



Community Development Financial Institutions

Created for community development

Housing / Jobs / Services / Economic Development

1973 – South Shore Bank

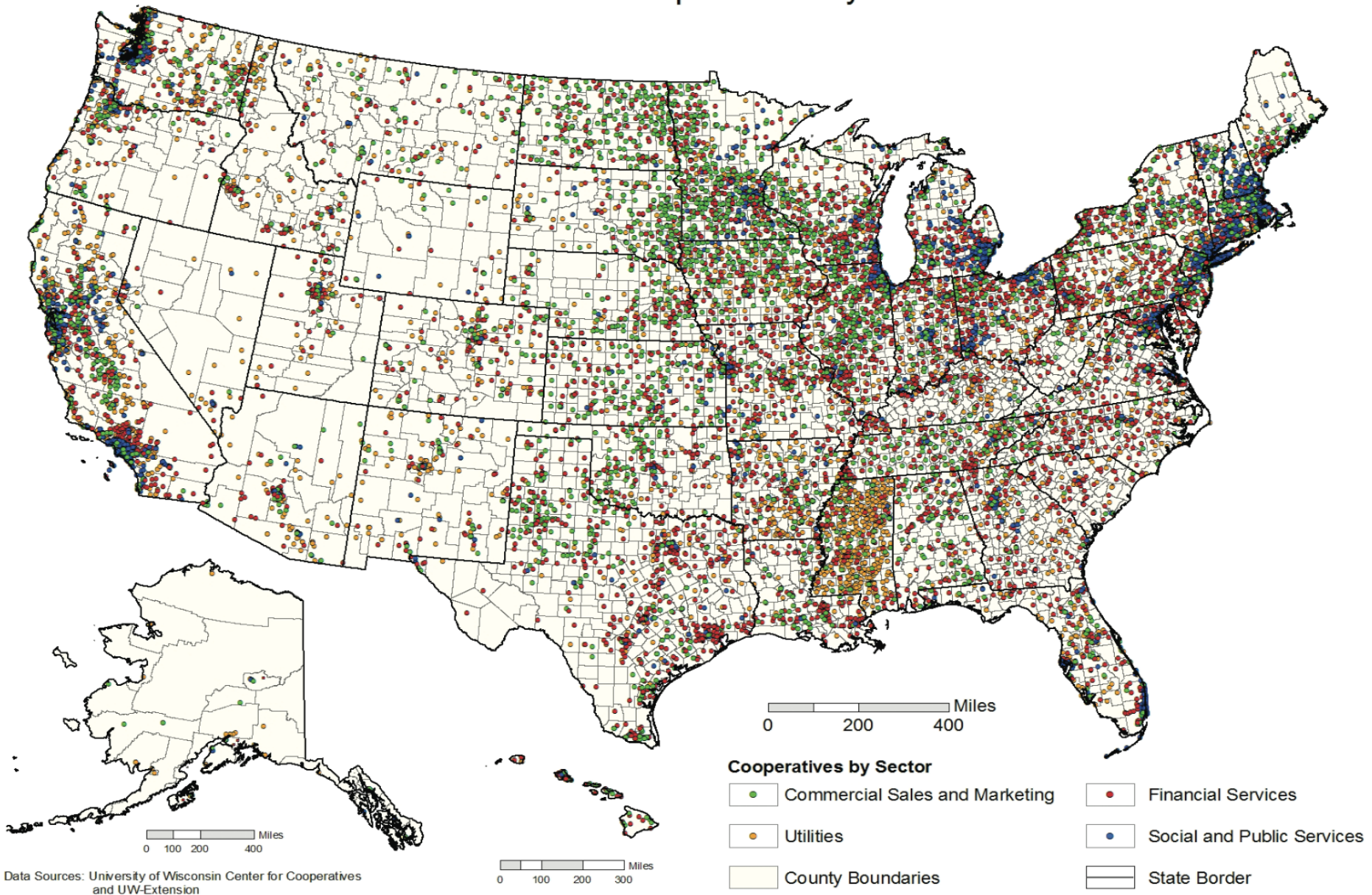
1977 – Community Reinvestment Act

1994 – CDFI Fund

Now – 1,200+ CDFIs w/ billions in assets

Loan Fund / Credit Union / Bank / Venture Investor

Distribution of Cooperatives by Sector



Principle #4

Autonomy & Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

If the cooperative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.



Principle #6

Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.



Who invests in Cooperatives? Other Cooperatives! Like Organic Valley farmers



And Equal Exchange worker-owners



What Kinds of Money do Co-ops Need?

\$

\$

\$

Working Capital

Inventory

Equipment

Leasehold
Improvements

Real Estate

Business Acquisition
or Conversion



Forms of Finance



Equity

- Member Equity
- Outside Investors / Preferred Shares
- Public Subsidy
- Donations / Grants
- Crowd Funding

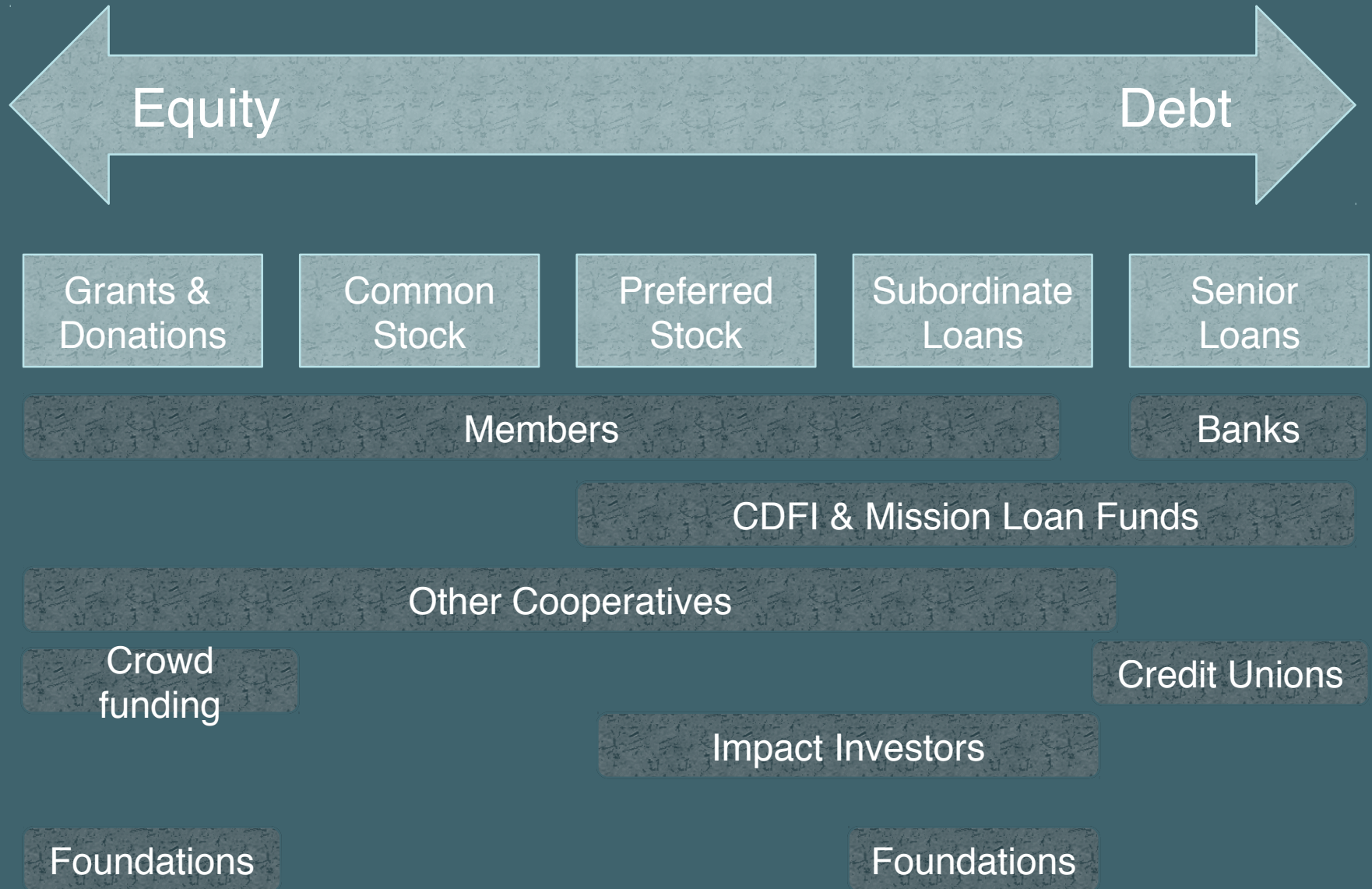
Equity-like

- Member Debt
- Subordinate Forgivable Debt or Subsidy

Debt

- Primary Debt
- Secondary / Subordinate Debt

Sources of Finance



Matching the Money with the Use

Working Capital

Line of Credit
Short-term Loan

Inventory

Equipment

Term Loan
tied to Life of
Collateral

Leasehold
Improvements

Real Estate

Real Estate
Mortgage or
Construction Loan

Business Acquisition /
Conversion

Term Loan
Combined with
Investment



Where do you keep your money?

- Banks / Credit Unions
 - Savings / CDs
- Wall Street
 - Stocks / Bonds / IRAs
- Under the Mattress.....



HOW CAN **YOU** HELP
THE COOPERATIVE ECONOMY
GROW?

LET'S INVEST!

Contact Us!

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