Mapping the State of Cooperatives in Indiana

Geography Capstone Spring 2025

Abigail Black - Alison Isbell - Bryce Deckard - Ellie Adam - Michael Daniel
Isabelle Harper - James Hyde - Lily Cascini - Mateo Escobedo - Nicholas Klos
Sakif Muhtadi- Trinity Cuellar - William Marchand

Advised and coordinated by Dr. Patricia Basile.

Department of Geography
Indiana University
Bloomington

Table of Contents

List of Tables and Figures

1. Executive Summary

Project Purpose

This project aimed to research and document the current landscape of cooperatives in Indiana by conducting a comprehensive census and analysis across multiple sectors. Through surveys, mapping, interviews, and historical research, undergraduate students in the GEOG 498 Geography Capstone course at Indiana University Bloomington gathered data to gain a deeper understanding of the roles, challenges, and contributions of cooperatives in the state.

Project Partners

The project was a collaboration between Indiana University's Department of Geography and the Indiana Cooperative Development Center (ICDC) under the direction of Deb Trocha. Additional support came from the ICDC board, the Indiana Business Research Center, the Indiana Credit Union League, CoBank, the National Association of Mutual Insurance Companies, Bloomington Cooperative Living, Bloomingfoods, and Greater Warsaw Cooperative Preschool. These partners provided data, sector insights, and guidance throughout the research process.

Data Collection

Students were divided into groups, each focusing on a specific cooperative sector in Indiana, and developed tailored survey instruments containing both general and sector-specific questions. With support from key partners, they identified relevant cooperatives, distributed surveys multiple times, and conducted historical and bibliographical research. To supplement the limited survey responses, groups also conducted semi-structured interviews within each sector.

Results

Indiana's cooperative ecosystem is diverse, with 307 cooperatives active across eight sectors, including a strong presence of credit unions, utilities, agricultural cooperatives, and mutual insurance, as well as smaller representation in childcare, housing, and food cooperatives. While cooperatives are present statewide, they are unevenly concentrated—urban centers, such as Indianapolis, and northern counties host the majority of credit unions, housing, and childcare co-ops, whereas rural regions are home to utility and agricultural co-ops—highlighting both spatial and sectoral disparities and opportunities for expansion. The following sections explore findings in each specific sector. Cooperatives hold significant potential to address economic gaps in rural communities as well as pressing needs in urban and peri-urban communities. There is an overwhelming need for direct support and resources through targeted funding, outreach, and technical assistance. Expanding education, resources, and hands-on support—particularly by fostering worker-owned and multi-stakeholder cooperatives—can promote broader participation and lead to more equitable, community-rooted, and focused enterprises.

2. Introduction

This report describes the findings of the research on the current state of cooperatives in Indiana, conducted by the undergraduate students enrolled in the GEOG 498 Geography Capstone course and advised by Dr. Patricia Basile at the Department of Geography at Indiana University - Bloomington in the Spring of 2025. The project was developed as a partnership with the Indiana Cooperative Development Center (ICDC), then directed by Deb Trocha, to address the need for census and geographic data on existing cooperatives in Indiana. First, students were divided into groups, and each group chose the sectors of cooperatives they wanted to focus on (see Table 1 below for the group and cooperative sector division). The groups identified all cooperatives in each of the respective sectors operating in the state of Indiana with support from Deb Trocha, the ICDC board members, the Indiana Business Research Center at IU, the Indiana Credit Union League, and the National Association of Mutual Insurance Companies. Each group developed their survey instrument, which contained the same general questions as well as specific questions related to each sector. Groups sent the survey instrument to the cooperatives in each sector three times during the semester. Groups also conducted historical and bibliographical research. To address the small number of responses for some groups, students conducted one to two semi-structured interviews with individuals in each sector.

The results of the semester-long research effort are summarized in this report, divided by cooperative sectors. Subsequent sections describe what cooperatives are, provide a brief descriptive overview of cooperatives in Indiana, and detail the findings for each sector of cooperatives researched: agriculture, childcare, credit unions, food, housing, mutual insurance, and utilities (purchasing and worker-owned cooperatives were not included in the research project, but have very small representation in Indiana). Finally, we present our conclusions, along with brief recommendations.

Students in the group	Sector of cooperative researched
Ellie Adam, Lily Cascini, and Sakif Muhtadi	Agriculture cooperatives
Bryce Deckard, James Hyde, and Michael Daniel	Childcare and housing cooperatives
William Marchand	Food cooperatives
Isabelle Harper, Mateo Escobedo, and Trinity Cuellar	Credit unions and mutual insurance companies
Abigail Black, Alison Isbell, and Nicholas Klos	Utility cooperatives

Table 1. Student group division and sector of cooperatives researched by each group.

3. Cooperatives 101

A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.” (International Co-Operative Alliance, n.d.). Cooperatives are owned and democratically controlled by their members, who collectively make decisions to meet shared community goals, ensure financial sustainability, and attend to the well-being of the broader community. They function based on the Rochdale Principles, a set of ideas first created in 1844 by the Rochdale Society of Equitable Pioneers in Rochdale, England, that have as the basic principles for cooperatives worldwide. The principles include: 1) voluntary and open membership, 2) democratic member control, 3) member economic participation, 4) autonomy and independence, 5) education, training, and information, 6) cooperation among cooperatives, and 7) concern for community.

Cooperatives can range in size and scale, operating in various sectors and industries. Their structure can also vary in terms of who the members collectively own and benefit from the cooperative enterprise. Consumer cooperatives are owned by the individuals who consume the services or products provided by the cooperative, being able to shape the enterprise and have access to better selections, availability, or pricing. Producer cooperatives are owned by businesses or individuals offering similar services or products. By coming together as a cooperative, they can collectively purchase supplies in bulk, negotiate prices, share services such as marketing and transportation, and access larger markets. Purchasing (or shared-services) cooperatives are owned by businesses or organizations seeking to reduce their costs by combining their purchasing power, thereby benefiting from bulk buying, better prices, and more efficient delivery. Worker-owned cooperatives are owned and governed by their employees. Worker-owners democratically govern the business, having a direct role in its decision-making on operations, strategies, values, and the conditions of their labor. In worker-owned cooperatives, profits are distributed among worker-owners and reinvested according to the workers’ priorities. Finally, there are also multi-stakeholder cooperatives in which multiple groups of members collectively own and democratically govern the enterprise to collaboratively meet shared needs and goals, including workers, consumers, workers, producers, or investors.

4. Cooperatives in Indiana

There is a long history of cooperatives in Indiana, dating back to the 1920s and 1930s, with agricultural, electric, housing cooperatives and credit unions. Today, there are an estimated 307 cooperatives in Indiana, distributed across eight different sectors. The largest cooperative sector in the state is the credit union (129), followed by utilities (55) and agricultural cooperatives (37). Mutual insurance companies (30) and housing cooperatives (28) also represent an important presence, while sectors such as childcare (18), food (6), purchasing (3), and worker cooperatives (1) remain marginal (see Figure 1).

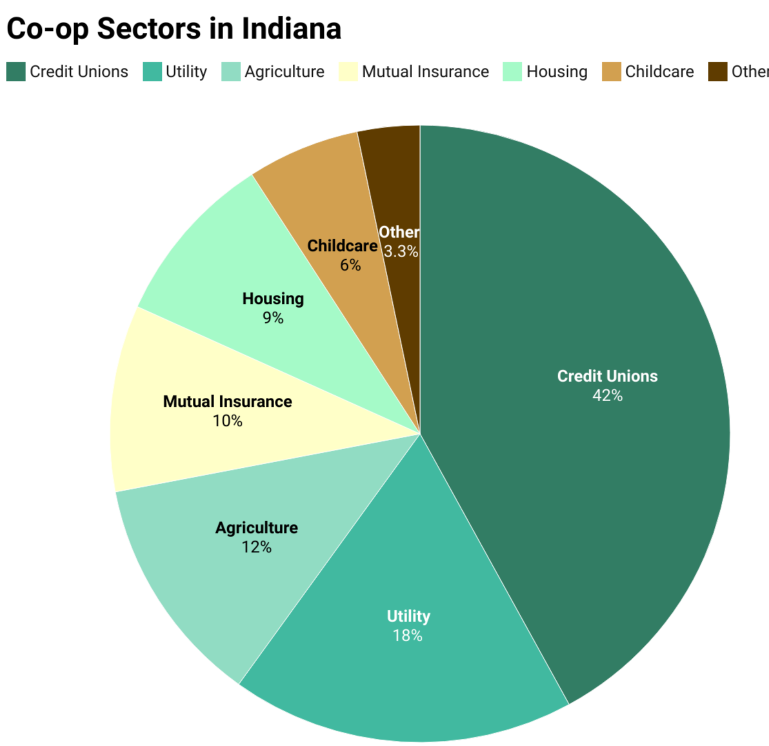

Figure 1. Pie chart showing the percentage of cooperatives by sector in Indiana, as determined through this research. "Other" includes Food, Purchasing, and Worker cooperatives.

The cooperative landscape in Indiana is diverse and widespread throughout the state but unevenly distributed, with a notable concentration in urban and northern counties (see Figure 2). Spatially, cooperatives are clustered in and around Indianapolis, as well as in the northwest and northeast regions—areas that benefit from denser populations, economic activity, and infrastructure, specifically Marion, Allen, Elkhart, St. Joseph, Lake, and Porter counties (all urban counties). In contrast, large portions of southern and western Indiana show smaller numbers of cooperatives, suggesting potential gaps in cooperative development or limited access to cooperative services. The map highlights the urban-rural divide and sectoral imbalances, pointing to opportunities for expanding cooperatives in underrepresented regions and sectors.

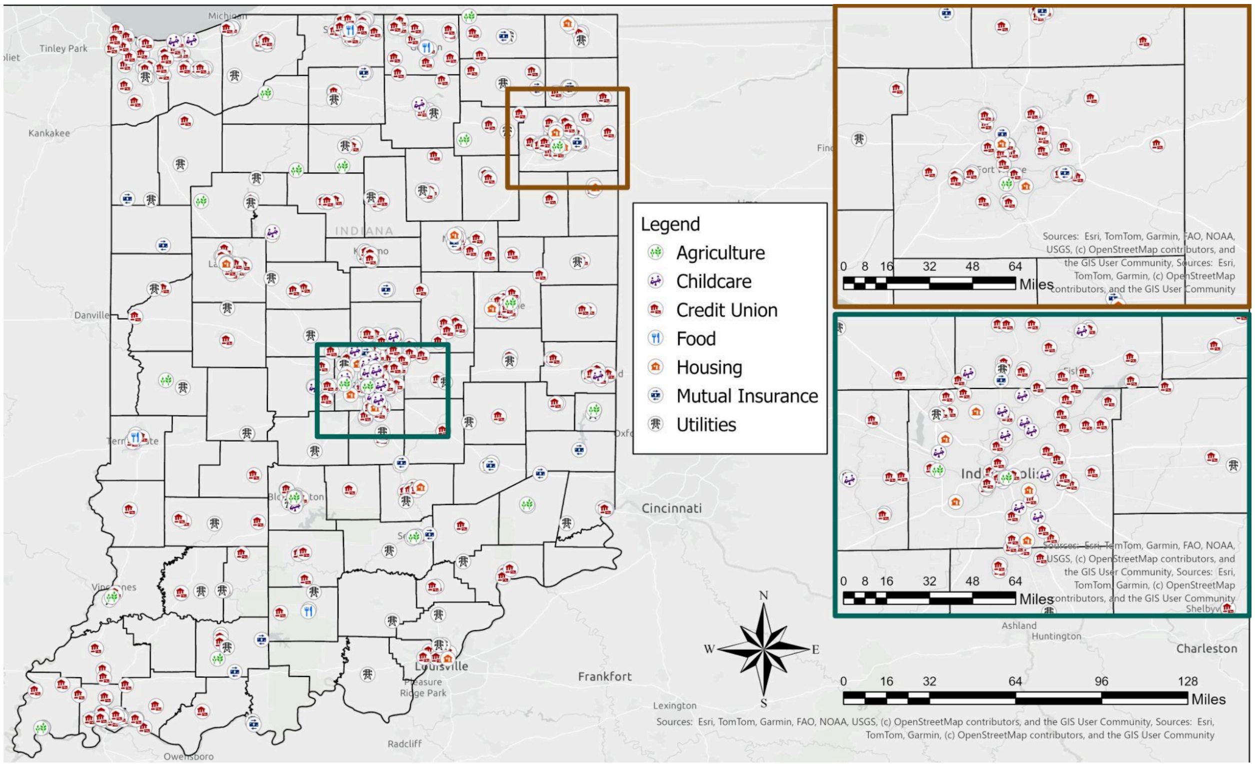

Figure 2. Geographic distribution of cooperatives in Indiana (map created by Nicholas Klos).

Credit unions are widely dispersed and present throughout the state but especially dense in urban centers such as Indianapolis and the northwest region near Gary and South Bend. Utility cooperatives, including electric and telecommunications co-ops, are more evenly distributed across rural counties, reflecting their historical role in extending essential services to underserved areas. Overall, agricultural cooperatives are present across the state (only main offices are represented on this map; see Figure 4 on page 16 for a map with all locations represented). Mutual insurance companies appear scattered but maintain a noticeable presence in both rural and semi-urban counties, possibly reflecting long-standing community-based risk-sharing institutions rooted in local economies.

In contrast, housing and childcare cooperatives are highly concentrated in the Indianapolis metro region, pointing to a more substantial presence of such cooperative responses in densely populated areas. The food cooperative sector, although limited in total number, also exhibits a stronger presence in urban and peri-urban areas. Finally, only one of the purchasing cooperatives is located in the state, based in Indianapolis, and the lone worker cooperative is also in Indianapolis. Overall, Indiana's cooperative ecosystem is characterized by a divide between rural service-oriented sectors (agriculture, utilities) and urban consumer- or labor-oriented sectors (housing, childcare, credit unions), with significant potential for growth in underrepresented areas and sectors—particularly housing, childcare, food, and worker co-ops throughout the state.

5. Agriculture Cooperatives

Lily Cascini, Ellie Adam, Sakif Muhtadi

Brief Definition and History

Agricultural cooperatives—businesses owned and operated by groups of farmers for their mutual benefit—have long served as vital tools for navigating the economic challenges of rural America. Structurally, successful agricultural cooperatives operate under a democratic model: a hired management team, led by a CEO, handles daily decisions, while a Board of Directors, elected by and typically consisting of cooperative members, oversees strategic planning, executive accountability, and other key aspects. This framework provides farmers with a voice in decision-making and an opportunity to influence the direction of their cooperative. The most common types of agricultural cooperatives in the United States are marketing, supply, and service cooperatives; however, many provide multiple benefits for their members and users. In Indiana, there are 20 main office locations of agricultural cooperatives, with five others operating in the state, typically through online services.

Although there is a dominant presence in agriculture today, the trend of farmers joining together and forming cooperatives dates back to the past century in the United States. Some of the first instances of grassroots agricultural cooperation appeared after the Civil War when farmers were struggling economically and individually. The majority of farmers were sharecroppers, meaning they did not own the land they farmed on, and their produce didn't belong to them after harvest. Oliver Hudson Kelley—a clerk for the United States Bureau of Agriculture in the 1860s—was sent to the South by President Andrew Johnson to gather "statistical" information on the region (Buck, 1920). What he gathered instead was that despite farmers' financial distress, they were generally apathetic towards their methods of agriculture and felt too intimidated to fight back on their own. After witnessing this, Kelley started the National Grange of the Order of Patrons of Husbandry, also known as the National Grange. This group educated and advocated for farmers' rights, and due to their stance against railroad and grain elevator monopolies, support for the group became widespread across the nation. Although their political lobbying efforts were short-lived, the idea of cooperation among farmers began to gain more attention.

By 1920, nearly 14,000 farmer cooperatives were operating, supported by national organizations like the American Farm Bureau Federation and the National Farmers Union (Frederick et al., 1997). In Indiana, these cooperatives gained momentum in the early 20th century as small farmers sought collective solutions to overcome limited market access, high production costs, and the volatility of commodity prices. After the passage of the Capper-Volstead Act of 1922, farmers were able to lawfully unite to collectively market their products, whereas they were previously prosecuted for acting collectively. This allowed for partial immunity from antitrust laws while protecting consumers from the price increases that would result from the monopolization of collective action (Volkin, 1985).

Formal support for these efforts began with the Farm Credit Act of 1933, which laid the groundwork for cooperative financing structures. Historical records, such as the *Monthly Labor Review* of 1936, reveal that farmers spent an estimated $1.463 billion (approximately $35.75 billion today) on productive costs, encouraging them to form purchasing associations and lower expenses through collective action ("Monthly Labor Review," 1936). Indiana's own Farm Bureau played a pivotal role in fostering this growth, helping establish grain elevators, supply stores, and service cooperatives that continue to operate today. Although the number of agricultural co-ops nationally has declined sharply—from a peak of 12,000 in 1929 to 1,621 in 2022, according to the USDA—their economic footprint has expanded dramatically, with business volume growing from $2.5 billion to over $300 billion within the past century (Munch, 2024). This trend reflects a shift from smaller, local cooperatives to larger, consolidated entities aiming for greater efficiency and regional reach.

Impact & Influence

Agricultural cooperatives offer farmers mutual benefits that would otherwise be unavailable or difficult to access. These benefits include, but are not limited to, collective bargaining power, access to capital and markets, pooling of resources, shared risk among farmers, and local economic benefits such as job creation and wealth retention. By pooling resources and sharing risk, especially in the face of environmental pressures like crop loss from late frosts or disease outbreaks, Indiana's agricultural cooperatives remain essential to supporting farmers' livelihoods and the resilience of rural communities. For financial benefits, members can share the business's earnings in proportion to their utilization of or contribution to the cooperative. Many cooperatives utilize the patronage refund system, which enables farmers to earn a percentage of the annual earnings based on their contributions to the business, regardless of the monetary value of each transaction (Frederick, 1985). This system ensures that members receive benefits proportional to their use of the cooperative.

CoBank stands out as an essential financial pillar in the agricultural cooperative system. This National Cooperative Bank is also considered a key member of the Farm Credit System. CoBank provides critical funding and financial services to agricultural cooperatives, agribusinesses, and rural infrastructure providers, making it instrumental in supporting both the day-to-day operations and long-term development of co-ops in Indiana and beyond. The bank operates on cooperative principles itself, being owned by its borrowers, which reinforces the values of shared ownership and democratic governance that define the co-op model. Among its leaders is Louis McIntire, Senior Relationship Manager and former VP of Agribusiness at Farm Credit Services of Mid-America. McIntire brings decades of experience in agricultural finance and offers tools to help farmers benchmark their financial performance against national standards. His work provides valuable insights into how cooperatives can utilize financial data to make informed decisions and remain competitive in increasingly consolidated markets. CoBank's role in providing capital, promoting financial literacy, and facilitating cooperative growth makes it a critical partner in sustaining Indiana's agricultural economy. Regarding CoBank's impact and reliability in the cooperative world, McIntire States that "Cobank is in it for the long haul, and it's why we are, truly, a preferred provider of credit to our customers because we look at it from a long-term point of view." (L. McIntire, personal communication, 2025).

While the mitigation of risk is a reason for becoming a member, much of the incentive comes from the services and connections provided by cooperatives. Agricultural cooperatives provide small farmers with the opportunity to enhance their economic market power. For example, dairy farmers face immense risk in their operations due to fluctuations in market demand, the inconsistency of production, and the perishability of their products. Dairy cooperatives ensure that farmers can consistently sell their dairy products by supporting their distribution, processing, and marketing efforts. The cooperative structure has proven vital to the economic well-being and resilience of producers while also supporting the national agricultural sector.

Spatial Distribution of Agriculture Cooperatives in Indiana

There are 20 main locations of agricultural cooperatives in Indiana. Figure 3 illustrates the locations of each main office in Indiana, highlighting their distribution across the state. Not included in the map are five cooperatives that we found to be operating in the state with no physical locations, many of which provide online services. These include Select Series Member Cooperative, CentralStar Cooperative, Cooperative Regions of Organic Producer Pools Inc., CHS Cooperatives, Inc., and CoBank. The three main offices in Indianapolis, Keystone Cooperative, Indiana Farm Bureau, and CountryMark, are among the largest agricultural cooperatives in Indiana, with two of them having over 100 locations. While the main offices have seemingly even distribution, some organizations exceed the scale of many other cooperatives.

Figure 3. Locations of the main offices for each agricultural cooperatives operating in Indiana.

There are 480 total locations of agricultural cooperatives in Indiana, shown in Figure 4. The map also includes a cluster analysis to highlight the presence of locations across the state. While the darker regions in northern Indiana can be attributed to the nutrient-dense soils and overall agricultural operations, the most dense places included Marion County and Vanderburgh County. Vanderburgh County houses Evansville and has a deep agricultural history due to its proximity to the confluence of the Ohio and Mississippi Rivers. Marion County may be better equipped with access to main office locations and more capital than rural areas. This could also be due to the higher number of CountryMark gas stations in the Indianapolis area. As mentioned above, there are 20 main offices, 14 of which have less than 10 locations in the state. The remaining eight cooperatives have a much larger spatial distribution and scale of operation compared to the smaller regional organizations.

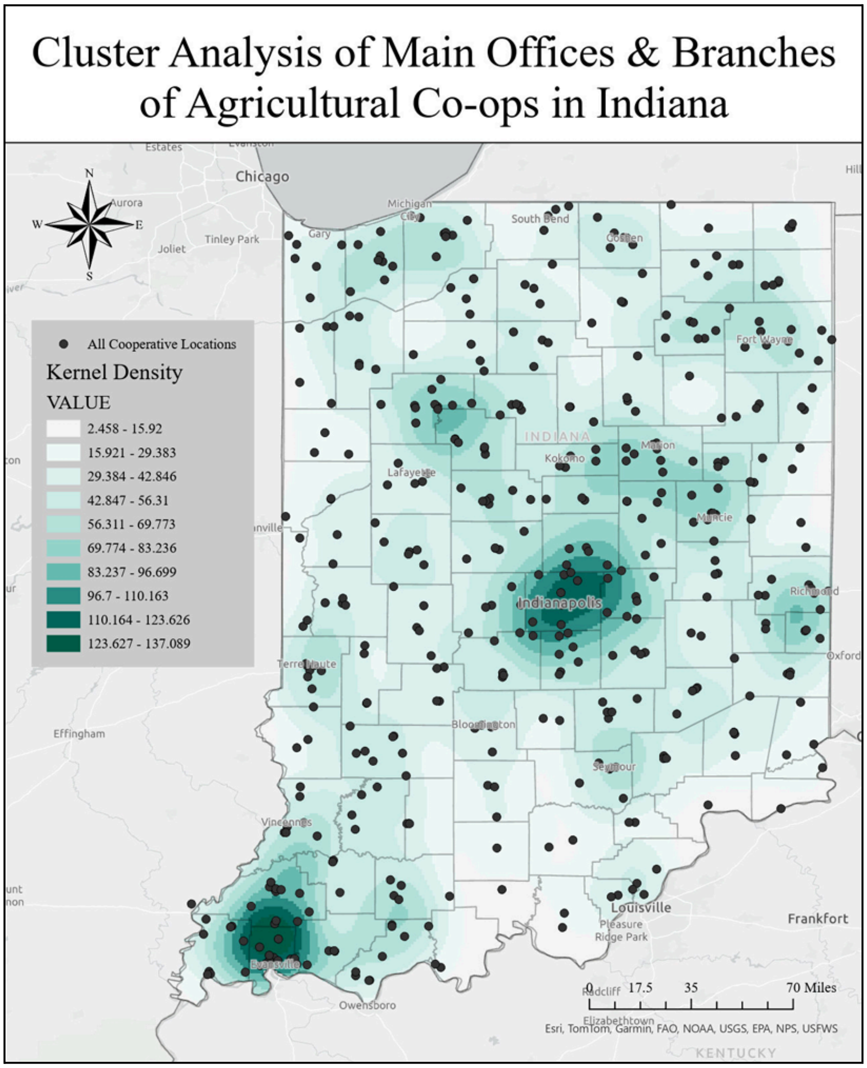

Figure 4. All locations of agricultural cooperatives in Indiana, including cluster analysis.

Merging of Agriculture Cooperatives & Implications

Merging has become ubiquitous in agricultural cooperatives, particularly those that have been in existence for a more extended period of time. These mergers are agreed upon by CEO's, Board of Directors, members, and (if applicable) employees of the cooperative. Agricultural cooperatives typically consider mergers as a strategy to enhance financial stability and provide more services to their members. There are three ways in which cooperatives combine. For a merger, one business is absorbed by another, and this typically involves retaining the same name as the cooperative that is being absorbed. In consolidation efforts, a new cooperative is formed, and the other two dissipate. Lastly, a cooperative may purchase or acquire all assets of another cooperative without any formal merger or consolidation (Reynolds et al., 1996). In this report, we use the words ‘merger’ and ‘consolidation’ concerning any type of cooperative organization combination.

As seen in our research and interviews, merging has become commonplace for regional, smaller-scale cooperatives in this sector. Figure 5 highlights the increase in business volume coupled with a decrease in the number of agricultural cooperatives over the past century in the United States. The graph was a key indicator of the rate at which agricultural cooperatives are merging, especially in recent years, as well as their increasing influence in the economic market as they scale up. Dr. Daniel Knudsen, a Professor Emeritus at Indiana University in the Department of Geography, spoke about a potential reason for the relationship between the number of agricultural cooperatives and business volume. He mentioned that cooperatives must be as efficient as other businesses to compete in the economic market and farming sector. He declares, “Cooperativism is a way to bend the will of capital to the benefit of the producers…(but) you still got to be efficient, you still gotta make sure you have a profit at the end of the year.” If cooperatives have low year-end payments, they are more likely to merge with other cooperatives. Based on his research on Danish cooperatives, Knudsen states that “Farmers in cooperatives that paid lower year-end payments tended to merge with cooperatives that were close to them, geographically…that's essentially how inefficient cooperatives get weeded out.” (Dr. Dan Knudsen, personal communication, 2025).

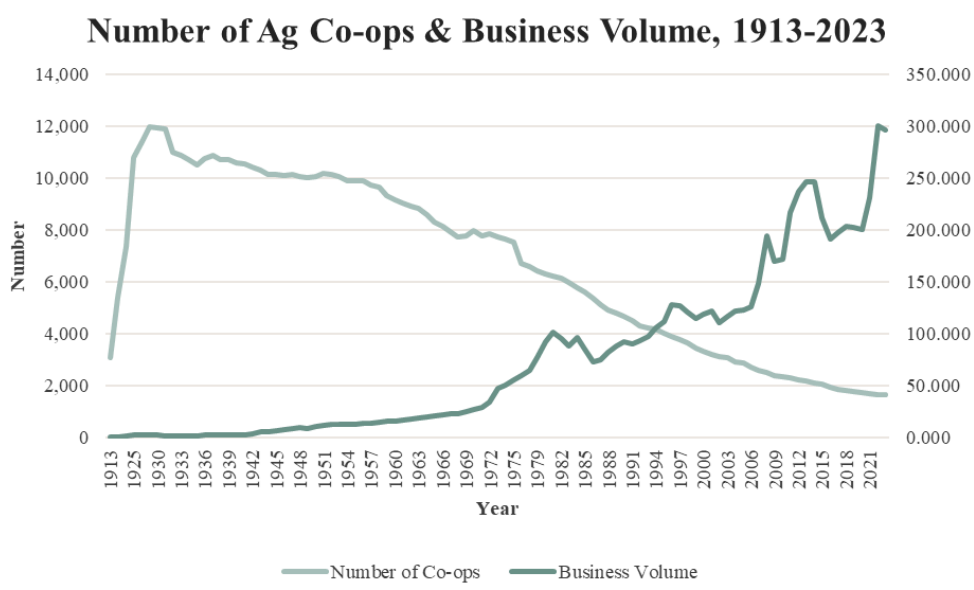

Figure 5. The number of total agricultural cooperatives in the United States from 1913 to 2021 and their annual business volume from the USDA Rural Development Center (*Cooperative Services*, 2015).

Another noticeable trend in agricultural cooperatives nationwide is a significant decline in membership. Figure 6 shows the historical relevance of memberships within agricultural cooperatives dating back to 1915. The number of memberships peaked in 1955 with 7.7 million recorded members but has been steadily declining since, much like the number of cooperatives across the country. This trend can also be observed in the number of farms in the United States, which nearly reached 7 million total farms around 1935, then rapidly declined to around 2.2 million farms by 1973 and has fluctuated around that number since. Concurrently, the rapid decline was accompanied by an increase in the average farm size to approximately 440 acres per farm (Keller & Kassel, 2025). This is most likely attributed to the revolution in agricultural technology, which has increased overall yields and enhanced capital-intensive farming practices. These numbers reflect the trend in the number of memberships, as fewer farms indicate that fewer people are engaging in these cooperatives.

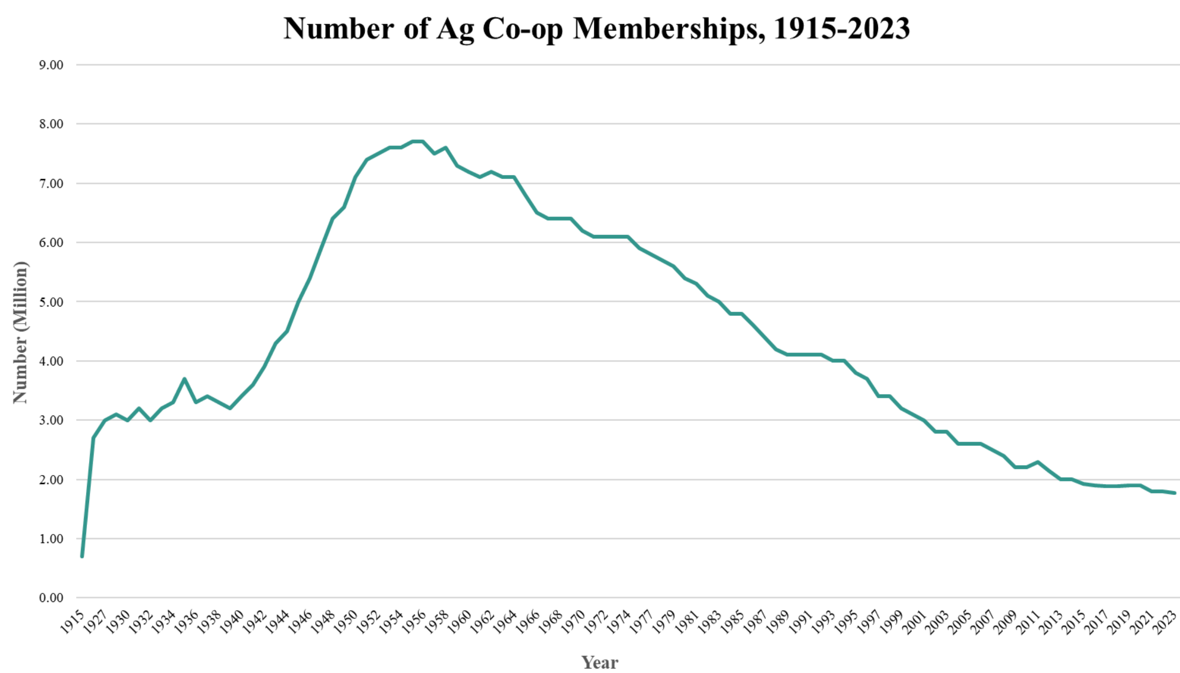

Figure 6. Number of agricultural cooperative memberships from 1915 to 2023 in the United States from the USDA Rural Development Center (*Cooperative Services*, 2015).

The effectiveness of the democratic model within cooperatives hinges on members being well-informed and actively engaged. As cooperatives scale up, they face growing challenges, including mismatched priorities among diverse farm operations, ineffective communication, and a sense of disconnection among members who may no longer feel adequately represented.

Mergers, while often pursued for economies of scale and access to funding, can exacerbate these issues. Kent Hoffman of AgBest and CountryMark mentioned some aspects of these issues in his interview. He described the disconnect between members and CEOs, noting that there are many layers customers and members must go through to reach the office of the CEO. He states, “As a customer, I just can't imagine that you don't feel completely like a number.” (K. Hoffman, personal communication, 2025). He also discussed the distance restriction of main offices for some farmers, as the one for CountryMark is in Indianapolis. While members are still empowered in their voting abilities, the diluted communication can cause them to lack the relevant information to make decisions in their best interests.

Recommendations

Based on our findings from the survey and the analysis of themes among agricultural cooperatives in Indiana, we suggest that the ICDC offers more financial incentives for smaller farm operations to establish their cooperatives. Typically, a lack of funds and capital leads small farmers or small cooperatives to sell their assets to larger corporations or even merge with nearby, well-established cooperatives. While mergers facilitate easier access to services and can operate effectively with democratic control, the larger the scale, the more challenging it becomes for these cooperatives to continue functioning within the democratic model. Regarding the disconnect that comes with expansion, Hoffman—in an interview conducted by us—states, "If a customer of Keystone (Cooperative) wants to see Kevin Still (CEO), they're gonna have a lot of layers to go through to ever get into his office" (K. Hoffman, personal communication, 2025). The cost of efficiency is paid with a loss of autonomy. Therefore, incentives to stay within one's bounds as a cooperative must come with extra financial support.

Efficiency is still necessary, however, if these cooperatives aim to compete with publicly owned corporations. For the Bloomington Farm Stop Collective—a farmer-owned market—a lack of produce is what prevents them from garnering larger profits. With over 60 farmers involved in the market, understanding when, where, and how to grow crops is crucial, especially without resorting to selling out to larger organizations. To ensure maximum efficiency, we recommend using satellite-based monitoring tools, such as those offered by EOS Data Analytics. EOSDA has a long history of working with agricultural cooperatives nationwide, providing information on soil moisture, detecting land coverage and boundaries, and even predicting yields for individual plots of land. The company also aims to gather information on the carbon stored in soil, enabling farmers to practice more sustainably.

Conclusion

Agricultural cooperatives have played a foundational role in shaping the economic landscape of rural America and Indiana, specifically by enabling small farmers to collectively overcome market challenges and establish long-term operations that continue to benefit their communities. From their grassroots origins to their present-day evolution into large-scale operations, cooperatives have continuously adapted to meet the shifting demands of agriculture and markets. Despite a decline in the number of cooperatives and memberships, the desire to shift away from large corporations has steadily increased overall. Ultimately, the future success of agricultural cooperatives depends not just on their economic performance but also on their ability to preserve equitable farmer representation and community-based governance.

6. Childcare Cooperatives

James Hyde, George Daniel, Bryce Deckard

Brief Definition and History

Childcare cooperatives in Indiana typically operate under a parent-owned cooperative model, where parents serve as members who come together to support the co-op in exchange for receiving childcare services. Because these cooperatives rely on parent involvement for matters of upkeep, operation, and funding, childcare cooperatives are often able to offer lower prices than non-cooperative business models. Additionally, many of these cooperatives rely on democratic decision-making processes; parent members have the means to express their voices in the cooperative's functioning, such as through voting for board members.

The first childcare cooperative in the United States was established at the University of Chicago by faculty wives in 1915, and the model gradually gained popularity throughout the US by the 1950s and 1960s (ICPC, 2020). Cooperative preschools arrived in Indiana when Katharine Whiteside Taylor, the director of the still-operating Children’s Community Center in Berkeley, conducted a workshop at Butler University in the 1950s, which inspired parents to establish cooperative preschools in Indianapolis (ICPC, 2020). Eventually, more preschools spread across the state, though the majority remain clustered around Indianapolis. These cooperatives emerged to address a need for childcare that was available, affordable, and adequate for children’s well-being, with parents being involved in their children’s education as an essential tenet of these early cooperatives.

Childcare in Indiana

Childcare in Indiana suffers from being both expensive and often unavailable, particularly for parents seeking high-quality care for their children. Statewide, the average cost of childcare for one child over a year is $8,000, which is over 10% of the average Hoosier family’s annual income (Dilley & Fry, 2024). For reference, the federal government characterizes families’ paying over 7% of their income toward childcare as being overly burdened. For high-quality care, as determined by Early Learning Indiana, the average annual cost climbs as high as $12,000 (Dilley & Fry, 2024). In addition to these high prices, the capacity of childcare providers in Indiana is severely short of demand, with Indiana bearing a capacity sufficiency rate of 61%, meaning that only about 6 out of 10 children in Indiana can be served by childcare services (Dilley & Fry, 2024); this number also can vary significantly across counties, with some counties having exceedingly low capacity. Even in counties with significant capacity, issues of cost, choice, and quality remain pressing problems to be addressed.

The lack of adequate childcare providers in Indiana creates a multitude of problems for both children and their parents. Children with access to quality childcare facilities demonstrate higher levels of social competence, language skills, stress reduction, and long-term adaptive functioning (Bradley & Vandell, 2007). For parents, a lack of childcare options can pose significant challenges to their employment and earnings, in addition to the social challenges of their children not receiving quality care. Working parents with children under 5 years of age are absent from work for 13.3 days due to childcare issues, causing problems for both employees and employers. A significant portion of working parents quit their jobs to address childcare needs (Littlepage et al., 2018). Furthermore, the problems of absences and turnover cost Indiana employers an estimated $1.099 billion while also resulting in a loss of $118 million in tax revenue (Littlepage et al., 2018). This is not to suggest that childcare should be provided solely for economic purposes, but rather that the lack of childcare in this state does not result in cost savings for any involved parties – parents, employers, or the state government.

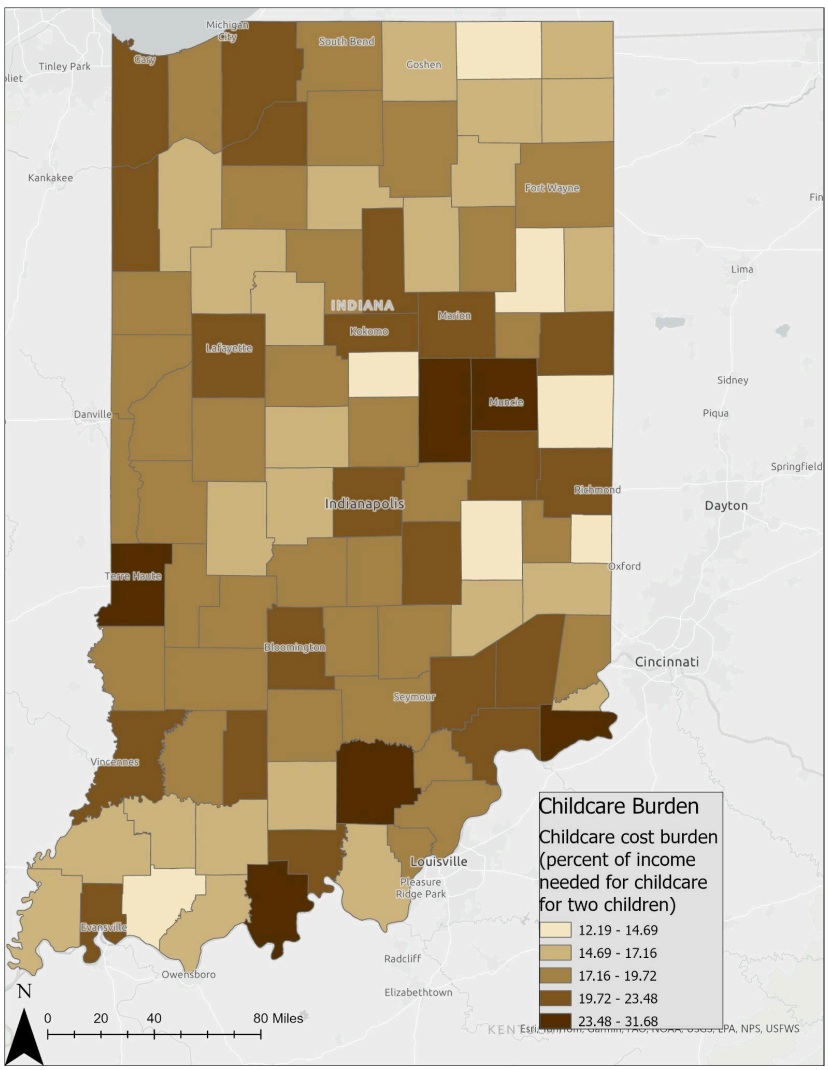

Figure 7. Childcare burden as a percentage of income needed for childcare for two children (Data from US Census Bureau).

Figure 7 illustrates the issue of the childcare cost burden, highlighting areas where parents must pay extremely high percentages of their incomes to afford childcare for two children. In particular, counties in southern and eastern Indiana appear as places with particularly high burdens for parents – childcare burdens rise over 23% in these locations, reaching as high as 31.68% in Washington County, just outside the Louisville Metro area (Figure 7). These areas might serve as high-priority locations for new cooperative childcarers to provide affordable childcare to parents. Additionally, Figure 8 illustrates the spatial distribution of counties with accessibility issues that extend beyond cost. Early Learning Indiana has developed an index to access early care and education based on quality, capacity, affordability, and choice, scoring counties based on their provision of this combination of factors (Early Learning Indiana, 2025). Eastern and western Indiana, as well as parts of southern Indiana, appear to be problematic areas. In general, scores are low – 76.7 out of 100 is the highest score (Figure 8). Combined, these metrics highlight locations in Indiana with the most significant challenges in providing childcare for their residents while also indicating areas with opportunities for future childcare development.

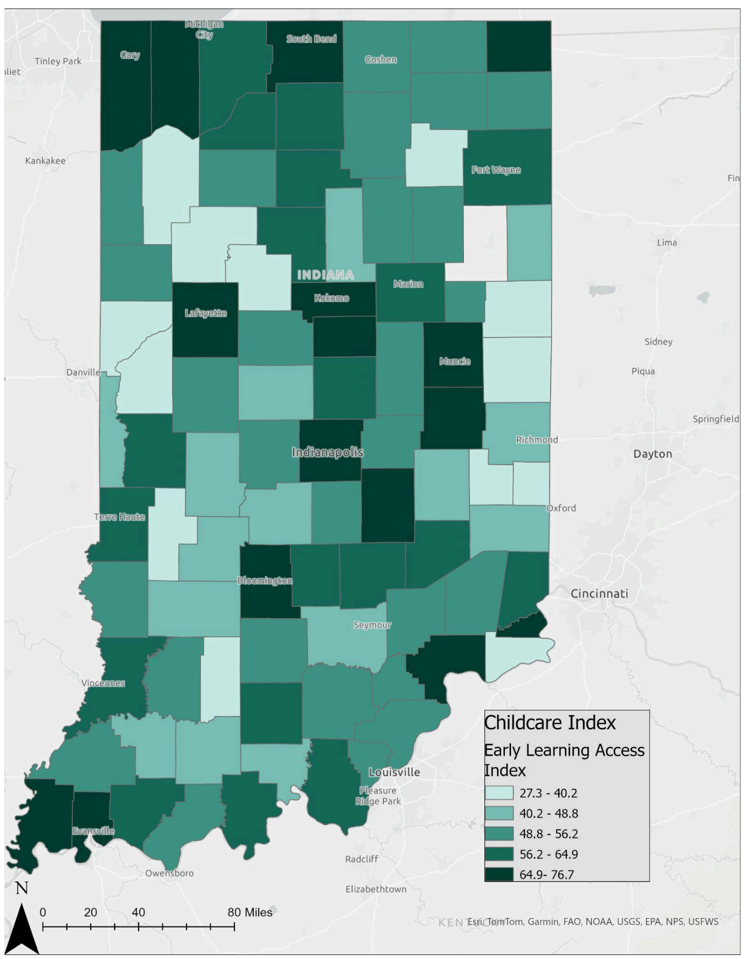

Figure 8. Early Learning Indiana’s access index, calculated based on quality, affordability, choice, and capacity (Early Learning Indiana 2025).

Childcare Cooperatives in Indiana

It is precisely these problems mentioned above that childcare cooperatives seek to remedy, and they do so by providing affordable, inclusive services that offer parents the opportunity to get involved in their child's early care and education. However, childcare cooperatives are not evenly distributed across the state. Figure 9 reveals the significant disparity between all noncooperative childcare providers and cooperative childcare institutions in the state, with 12 of the state's 18 cooperative early care centers located in the Indianapolis region, with noticeable gaps at urban centers like South Bend, Fort Wayne, Evansville, Muncie, and the areas surrounding Louisville and Cincinnati. Noncooperative preschools have a more even distribution, but they remain insufficient in some of the more rural parts of the state, and they tend to have a more inaccessible pricing model than cooperative centers. While every county has at least one childcare center, this is generally insufficient to meet the needs of community members, and they may be inaccessible due to factors such as cost, capacity, geographic location, and others.

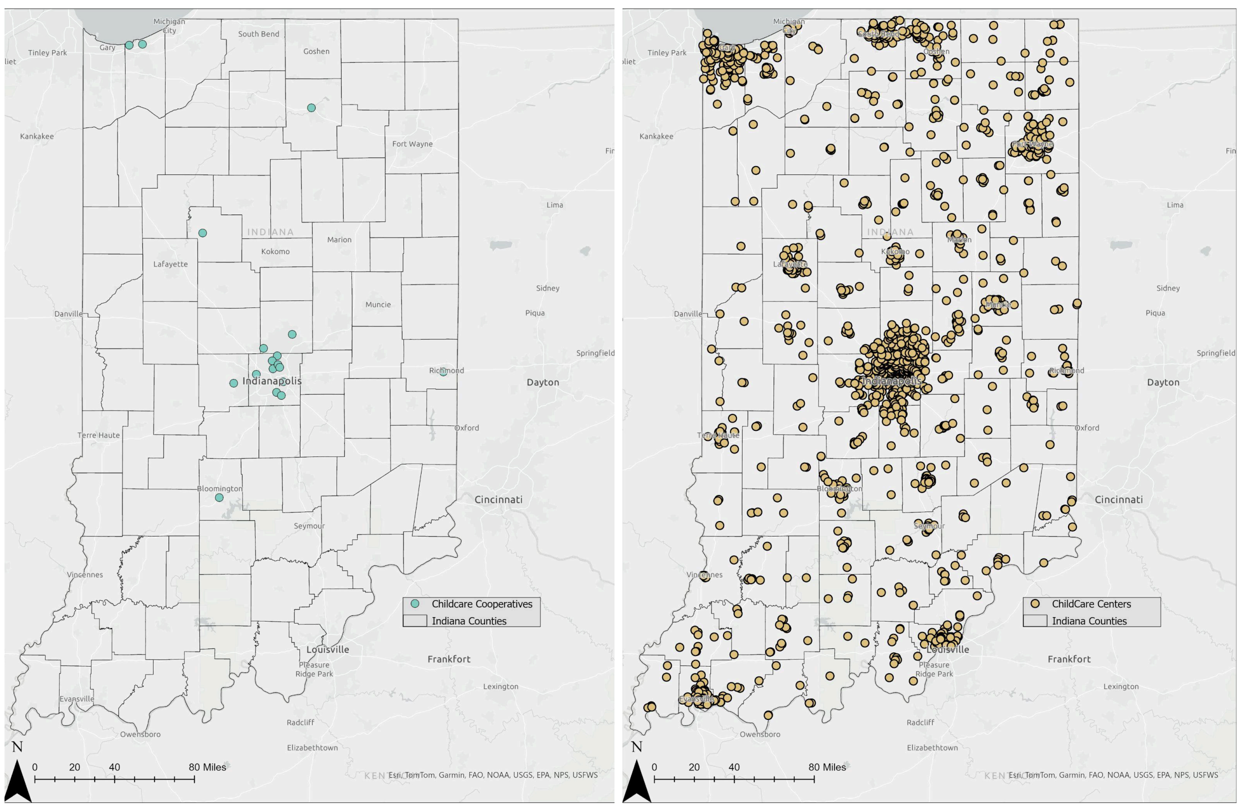

Figure 9. Locations of childcare cooperatives in Indiana (left) compared to locations of all childcare centers in Indiana (right).

According to our survey data, the average cooperative childcare in Indiana typically cares for between 26 and 50 children at any given time (Figure 10), and cooperatives generally employ 1-3 teachers to manage the workload. Parent-members do the rest of the work – survey respondents indicated that parents helped with tasks inside the classroom, such as cleaning up, aiding in activities, and providing snacks and materials. Beyond the classroom, parents also assist in setting up fundraisers, managing pickup and drop-off, and, in most cooperatives, serving in official positions, such as the board of directors. Every survey respondent indicated that parents had significant roles in the operation of the cooperative, and 83% of respondents stated that parents were directly involved in the cooperative's leadership via participation on the board of directors.

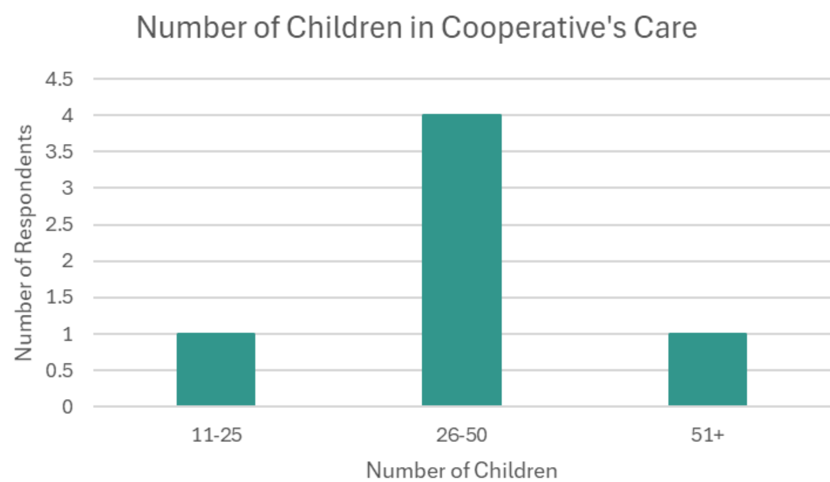

Figure 10. Number of children in care of cooperative, based on survey responses (n=6).

Additionally, our findings suggest that relatively few childcare cooperatives have been established in the 21st century. Most childcare cooperatives in Indiana were created before 2000, with only five being established after 2000 (Figure 11). The majority were created between 1955 and 1969, reflecting the impact of the early workshops in Indianapolis and the first "wave" of cooperative development in this field. According to Indiana's business registry data, no new childcare cooperatives have been created since 2020, indicating a significant slowdown in growth.

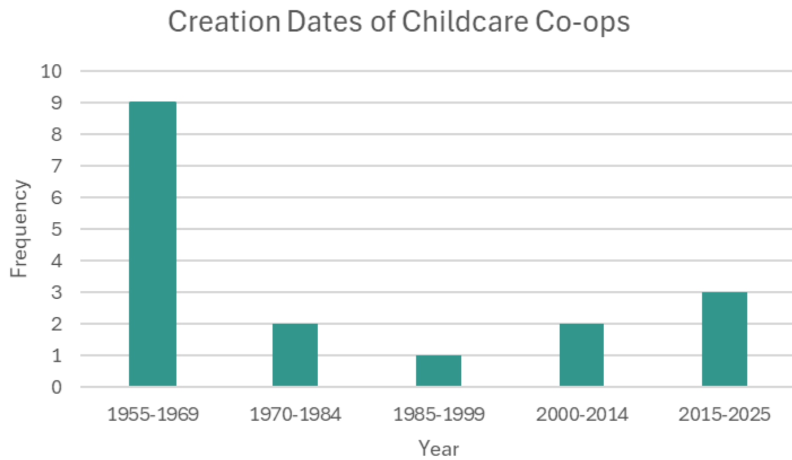

Figure 11. Creation dates of childcare cooperatives, based on Indiana business data (n=17).

The democratic control over the cooperative's operation was emphasized by several survey respondents, as seen one respondent who stated that parents "hold a job in the cooperative, which can range from the President to doing laundry for the classrooms." Additionally, half of the respondents explicitly stated that parents were a part of building a *community* of childcare users in which parents had some level of control over how their child was being cared for. Parents also had input on various activities, ranging from open houses to marketing, further emphasizing the principle of democracy within the cooperative. An interview with the president of a cooperative preschool indicated that parents and teachers at that facility are encouraged to sit in on board meetings in which they discuss and vote on "all sorts of things:" the budget for the year, relocation, open house events, and enrollment strategies, to name a few (Interviewee, April 14, 2025).

Regarding affordability, childcare cooperatives appear to be successful in bringing childcare services to parents at rates significantly lower than statewide averages. However, it is worth noting that many cooperative centers only offer Monday through Friday care for children aged 4-5, with few centers providing full-time care for younger children. Still, the average cost for enrolling a child in care five days a week for a year, calculated based on available tuition data on childcare websites, came out to $3,156 – significantly lower than the average of $8,590 (Early Learning Indiana, 2025). 66.7% of respondents referred to their affordability, with one center proudly stating that they were the "most affordable preschool experience in town". In contrast, another center identified scholarships as a major part of their practice in keeping costs low for parents. Still, it is worth noting that part of this affordability comes at the expense of a limited range of services, such as operation during standard working hours and week-long care.

Recommendations

Considering the unique challenges described by these cooperatives, several recommendations may be prudent to consider. First, there is a significant opportunity to support cooperatives in identifying and securing funding streams, particularly through grants. One interviewee said, “It’s a shame that it’s hard for organizations like ours just to know who even to contact to try to get assistance, it’d be nice if it were easier.” Any guidance from the ICDC would be beneficial in helping these organizations figure out how to pursue funding (Interviewee, April 14, 2025). Many cooperatives strive for self-sufficiency, but there are still several reasons they might seek funding. In the case of this interviewee, their cooperative wanted funding for a renovation to expand capacity. Assistance with finding and applying for grants can help other cooperatives strategically utilize funding to achieve their goals, improve their services, and keep the operation running.

Additionally, it is necessary to consider the spatial distribution of childcare cooperatives: most are centered around Indianapolis, with some scattered throughout the northern parts of the state. However, there are vast swaths of the state without childcare cooperatives, and this is especially noticeable in southern Indiana. The urban areas around Evansville, Louisville, and Cincinnati could be areas for development, as could many rural areas or small towns. Providing workshops and training on how to start a childcare cooperative might be a valuable effort to support more expansion and growth in numbers, especially considering that the early childcare co-ops were sparked by workshops given at Butler University in the 1950s. It is possible that a similar strategy could spark new cooperative development in different regions of the state.

For existing co-ops, another pressing issue that could be addressed is the need for effective advertising and marketing to local communities. Several respondents described difficulty getting their name out and letting people know what it is they do. Assistance on how to deploy focused marketing strategies could make a difference in how these cooperatives can boost enrollment and gain support from community members. For instance, many organizations already engage in a variety of fundraising and marketing activities – open houses, yard signage, social media, and more, according to respondents – and the ICDC could offer guidance on what marketing tactics might be improved or deployed to ensure greater reach. Additionally, there is an opportunity for guidance on how to effectively communicate the unique aspects of cooperative childcare, making it clear to parents what benefits and responsibilities come from a community-based enterprise.

Conclusion

Childcare cooperatives can play a key role in combating Indiana’s problems with affordability, quality, and capacity in childcare provision, all while providing parents with more choices over their child’s care. Childcare co-ops face significant challenges, especially in the realms of funding and outreach. However, with assistance from the ICDC and other organizations, it is possible to meet these needs, expand existing childcare cooperatives, and establish new co-ops in areas of the state with high demand for affordable childcare. Childcare co-ops offer numerous benefits to parents, children, employers, and the state as a whole, and it is essential that we continue to invest in these organizations as a means to foster a better climate for childcare in the future.

7. Credit Unions

Isabelle Harper, Mateo Escobedo, Trinity Cuellar

Brief Definition and History

Credit unions are not-for-profit financial cooperatives that are owned and democratically controlled by their members. Their primary mission is to provide safe, affordable, and accessible financial services, such as checking and savings accounts, auto and home loans, and credit counseling. Unlike commercial banks, which prioritize shareholder returns, credit unions reinvest their earnings in member services and local community initiatives (National Credit Union Administration [NCUA], 2023).

In Indiana, the credit union movement gained momentum during the Great Depression, a time when banks were failing, and rural Hoosiers faced widespread financial insecurity. In response, groups of workers and community members pooled resources to form credit unions tailored to their needs. Many early Indiana credit unions were chartered to serve specific employer groups such as municipal employees, utility workers, or teachers. For instance, Harvester Financial Credit Union was established in 1954 to serve employees of the International Harvester truck plant in Indianapolis (NCUA, 2023), and Liberty Federal Credit Union, one of Indiana's largest, began in 1936, serving employees in Evansville.

As rural banks closed or consolidated throughout the 20th century, credit unions became a vital source of financial services in smaller Indiana towns. They filled a critical gap for working-class families, offering savings options, emergency loans, and, eventually, broader services like online banking and business lending. A review of the founding dates of Indiana's credit unions (Table 2) reveals that many were established between the 1930s and 1960s—a period marked by financial instability, industrial shifts, and growing demand for localized financial support.

Credit Unions by Year of Establishment	
Years Established	**Number of Credit Unions**
1925–1934	5
1935–1939	7
1940–1949	5
1950–1959	9
1960–1969	4

Table 2. Number of Indiana credit unions founded by decade. The 1930s to 1960s represent peak periods of credit union formation, coinciding with periods of economic uncertainty and decline in rural banking.

The Indiana Credit Union League (ICUL), established in the mid-1900s, became the central advocacy and support organization for credit unions statewide. Today, it assists more than 150 affiliated credit unions across Indiana with regulatory compliance, political advocacy, and member outreach (ICUL, n.d.).

Credit union services and community roles

Credit unions in Indiana address a diverse range of community needs, particularly in the areas of financial inclusion, education, and economic empowerment. Unlike traditional banks, credit unions are member-owned cooperatives that reinvest profits into community-based services rather than shareholder dividends. This model allows them to prioritize the needs of individuals and families who may be excluded from or underserved by the mainstream financial system (National Credit Union Administration [NCUA], 2023).

A primary need credit unions fulfill is increasing access to financial services in areas considered "banking deserts"—communities with few or no local bank branches. According to the FDIC, nearly 6% of Indiana households remain unbanked or underbanked, a problem particularly concentrated in rural and low-income counties (FDIC, 2022). Credit unions, many of which operate on a community charter or serve select employer groups, are often the only locally controlled financial institutions available in these areas. As one respondent from Power One Federal Credit Union noted, although they serve a single segment, they're "located in the inner city" and intentionally offer account access and financial services to individuals in need.

Survey responses collected through the Indiana Co-op Census indicate that many credit unions view financial literacy as one of their most pressing and ongoing responsibilities. For instance, one credit union shared that "members of management serve on boards and are present at high schools" to support local educational initiatives. Similarly, another credit union reported that they "teach personal finance at local high schools and provide scholarships to seniors," reflecting a widespread commitment to preparing youth for financial independence.

Many credit unions utilize national platforms, such as Zogo, Banzai, and KOFE (Knowledge of Financial Education), to provide free and accessible financial education. Zogo offers interactive personal finance lessons for its members, with a particular focus on college-aged students and young adults planning for their financial futures (Zogo, 2025). Banzai offers a personal finance curriculum for K–12 schools (Banzai, 2025), and KOFE provides services ranging from courses and coaching to workshops and fundraising campaigns (KOFE, 2025).

Another essential role played by Indiana credit unions is providing second-chance banking—products designed for people who have been denied access to traditional banking.

According to one credit union, “We do not care what a person’s credit is—we help establish and build credit.” These inclusive practices help residents recover from financial setbacks and rebuild trust in financial systems.

In addition to education and banking access, credit unions address the need for local economic development and civic engagement. Survey data show many credit unions are deeply involved in community service, volunteering, and charitable giving. These acts include hosting outreach events, supporting local animal shelters, participating in seasonal charity programs, and producing educational media on financial topics.

To understand the prevalence of these services, Figure 12 visualizes which community programs were most frequently mentioned in survey responses. Second-chance banking was the most cited offering, followed by financial literacy and community events. While some credit unions provide scholarships, none reported offering job training—highlighting both strengths and potential areas for expansion.

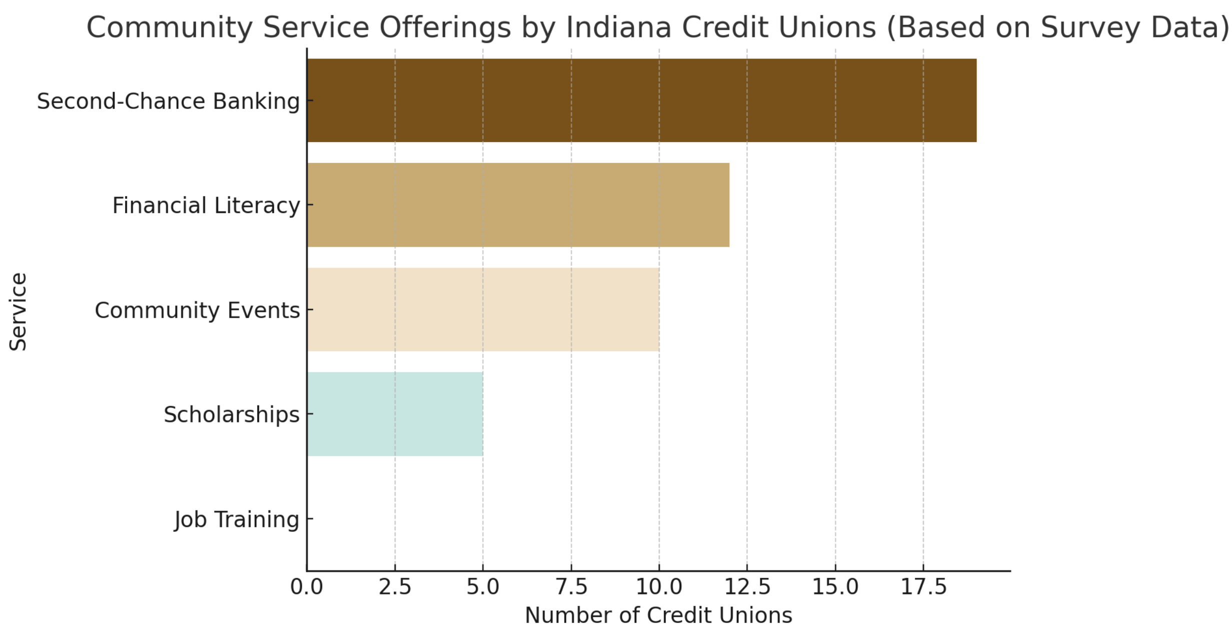

Figure 12. Community service offerings by Indiana credit unions, based on 2025 Co-op Census survey data.

These community-focused initiatives are made possible in large part because of the scale at which most Indiana credit unions operate. As shown in Table 3, a majority of institutions in the state serve fewer than 10,000 members. Specifically, 22 credit unions fall within this range, with only four serving more than 100,000 members. This membership size distribution reflects the hyper-local orientation of these institutions—allowing for tailored services, close community ties, and responsiveness to local needs. However, it also suggests that many credit unions operate with limited resources, which can constrain their capacity to expand outreach, hire staff, or modernize operations.

Ultimately, the small scale of most Indiana credit unions is both a strength and a challenge. Their compact size enables personalized financial relationships and grassroots engagement but also reinforces the importance of collaborative infrastructure and shared services to sustain their community-first mission.

Credit Unions by Membership Size	
Member Range	**Number of Credit Unions**
Under 5,000 members	11
5,000–9,999 members	11
10,000–49,999 members	5
50,000–99,999 members	3
100,000+ members	4

Table 3. Distribution of Indiana credit unions by membership size. Most institutions serve fewer than 10,000 members, underscoring their local, community-based model.

Overall, the number of credit unions in Indiana has continuously decreased since 1994. However, the number of credit union members has increased progressively during the same period (Figure 13). These patterns indicate processes of consolidation of credit unions, as well as the closure of credit unions due to difficulties such as competition from larger banks and financial strain. At the same time, existing credit unions have grown in membership numbers, indicating a pattern of fewer credit unions serving a larger membership and likely less place-based.

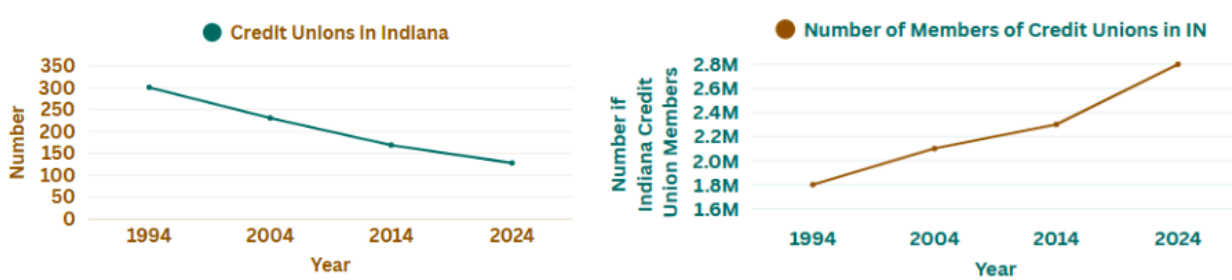

Figure 13. Number of credit unions in Indiana by year (1994-2024), and number of credit union members in Indiana by year (1994-2024).

Geographic and membership distribution of credit unions in Indiana

Understanding how credit unions are spatially distributed across Indiana is critical for assessing access and equity. As shown in Figure 14, credit unions are heavily clustered around major urban centers, notably Indianapolis, Fort Wayne, South Bend, Evansville, and Gary. These cities, with their higher population densities and economic activity, host the largest concentrations of credit union headquarters and branches.

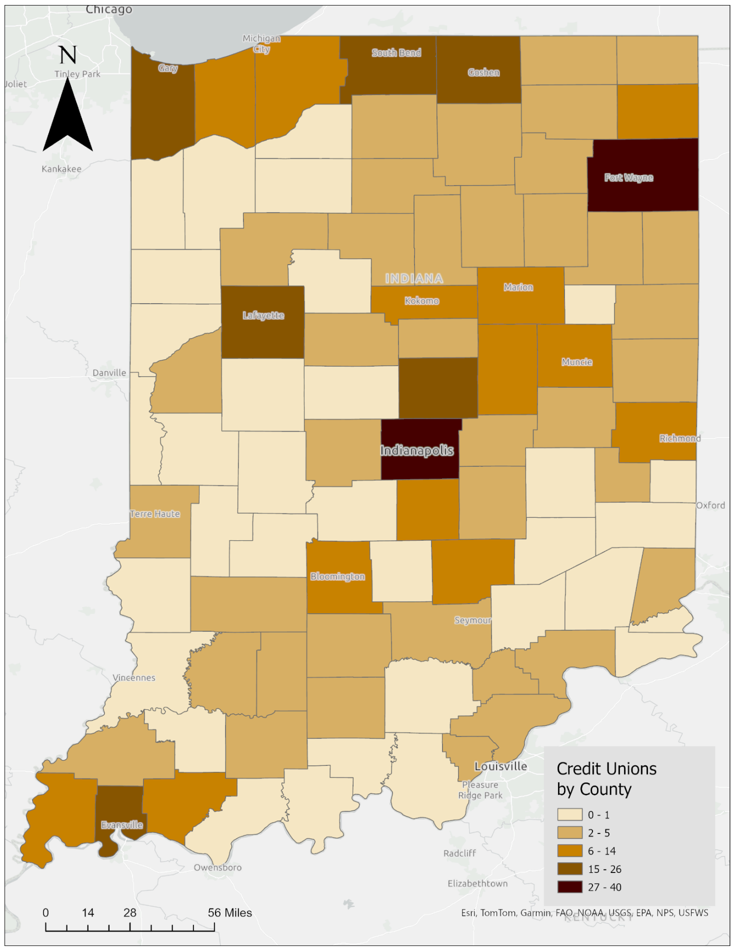

Figure 14. Geographic distribution of credit unions across Indiana (2025). Credit unions are heavily clustered around urban centers, leaving rural counties—particularly in the West—underserved.

The map reveals striking disparities: while metropolitan areas are well-served, large portions of rural Indiana—especially in the southern, western, and southeastern counties—show little to no presence of credit unions. This includes regions surrounding the Hoosier National Forest and many lower-income, low-density areas. These geographic gaps highlight barriers to access for rural residents, who often face challenges such as limited transportation options or unreliable broadband access. To address this, some credit unions may consider expanding virtual services, forming partnerships with trusted local organizations, or piloting mobile branch models.

Mid-sized cities like Lafayette, Kokomo, Muncie, and Terre Haute exhibit moderate representation, typically hosting two to four credit unions each. These areas often feature a mix of locally headquartered institutions and satellite branches, providing relatively balanced access, although not to the same extent as in larger metropolitan areas. Interestingly, credit union locations also align closely with major transportation corridors—particularly Interstates 65, 69, and 70—highlighting the role infrastructure plays in physical access. Additionally, a number of credit unions are located near state borders, especially around the Louisville, Cincinnati, and Chicago metropolitan areas. These placements may reflect broader regional membership fields and cross-border service strategies. This map provides a valuable foundation for evaluating service equity and identifying priority areas for outreach or expansion. Future analysis that overlays population density, income levels, and urban-rural classifications could offer deeper insight into financial inclusion and help credit unions strategically respond to underserved communities.

Impacts and Challenges

Indiana credit unions play a crucial role in promoting financial empowerment throughout the state, particularly in underserved communities that are often overlooked by traditional banking institutions. Many operate in banking deserts, offering essential services like checking accounts, auto loans, and financial education that would otherwise be inaccessible. A consistent theme among survey responses was a strong commitment to financial literacy. Numerous institutions reported partnerships with local schools, scholarship offerings, and the use of tools like Zogo, Banzai, and KOFE to engage K–12 students in personal finance. Respondents frequently expressed pride in their inclusive approach, with one credit union affirming that they provide services "regardless of a person's credit history."

These impacts are best illustrated through specific examples. Independent FCU uses Zogo to provide gamified personal finance lessons to youth, while Financial Partners FCU partners with Banzai to offer free financial education curricula to local schools. Harvester Financial CU offers financial coaching through KOFE, a national educational platform. FORUM Credit Union reported hosting over 20 community events annually and runs a foundation that funds both scholarships and teacher grants (FORUM Foundation, 2024). At Crossroads Financial FCU, a Youth Advisory Board gives high school students hands-on experience in finance and cooperative governance. These efforts demonstrate that credit unions function not only as financial service providers but also as community development hubs with deep roots in local empowerment (Credit Union Co-Op Survey, 2025).

In addition to their social contributions, many credit unions also operate dedicated Community Empowerment Centers, such as those run by Natco Credit Union in Richmond and Connersville. These centers offer a holistic range of services—job training, housing assistance, and budgeting help—in partnership with nonprofit and public agencies. As one respondent shared, "We work with several community organizations to offer financial counseling and budgeting help," highlighting how deeply embedded credit unions are in their local ecosystems. These efforts align with the broader mission of credit unions to promote economic equity and long-term resilience (National Credit Union Administration [NCUA], 2023).

Despite these achievements, credit unions face mounting challenges that threaten their ability to sustain and scale their impact. One of the most frequently cited obstacles is competition from digital-first banks and fintech applications. While credit unions have long been known for their strong personal relationships, many lack the digital infrastructure and technical staff to meet the expectations of younger, tech-savvy consumers. As one credit union noted, “We’re doing a lot with very little—we serve a huge community but have trouble keeping up with digital demands.” Visibility is another key concern. Without the marketing resources of national banks, many institutions struggle to raise awareness about their services, with one respondent stating plainly, “The biggest challenge is letting people know we even exist.” Staffing shortages further complicate these issues. Many credit unions operate with lean teams, juggling multiple roles—such as outreach, customer service, compliance, and IT—while striving to modernize and expand.

Credit Unions by Asset Size	
Asset Size	**Number of Credit Unions**
< $10M	21
$10M - $100M	65
$100M - $500M	18
$500M - $1B	10
$1B - $5B	12
> $5B	1

Table 4. Asset size categories of Indiana credit unions. Most operate with less than $100 million in assets, limiting their capacity to scale services, hire staff, or invest in new technology.

The asset size distribution further underscores the scale at which Indiana credit unions operate. As shown in Table 4, the vast majority of institutions hold under $100 million in assets—a level that limits investment in digital tools, staff capacity, and long-term infrastructure. Only 13 credit unions in the state hold over $500 million, and just one exceeds $5 billion. These figures align with the “doing a lot with very little” sentiment shared in surveys and help explain why many credit unions report challenges related to modernization, marketing, and resource constraints.

Together, the data and qualitative responses underscore a dual reality: Indiana credit unions are deeply impactful, mission-driven institutions with a clear focus on financial inclusion and education. Yet, they also face structural and technological hurdles that make it difficult for them to meet rising expectations and remain competitive. Addressing these challenges will be essential to ensuring their continued relevance and community impact.

Governance and Democratic Structure

All surveyed Indiana credit unions confirmed that a member-elected Board of Directors governs them, consistent with national standards for cooperative financial institutions. This democratic structure gives each member one vote, regardless of their account size, and ensures that decisions reflect the community's needs. Many credit unions actively promote civic participation through member education, board training, and annual meeting events (NCUA, 2023). This governance model aligns with the broader cooperative principle of “member economic participation” as outlined by the International Cooperative Alliance (ICA, 2023).

Recommendations

To strengthen the resilience and reach of Indiana’s credit unions, several targeted strategies should be considered by both the institutions themselves and broader support networks, such as the Indiana Credit Union League. First, enhancing digital capacity is critical. Many smaller credit unions struggle to compete with the sleek, intuitive platforms offered by national banks and fintech startups. Investing in shared digital infrastructure—such as mobile banking tools, online member portals, and cybersecurity—could help even the smallest credit unions modernize without bearing unsustainable costs. Partnering with technology firms or leveraging state innovation grants could be instrumental in making this transformation equitable and cost-effective.

Equally important is addressing the visibility gap many credit unions face. Unlike large commercial banks with expansive marketing budgets, local credit unions often operate with limited public awareness. A statewide marketing initiative coordinated by cooperative networks or trade associations could amplify the visibility of credit unions, especially in underserved and rural communities. This could include social media outreach, advertising campaigns, and member storytelling to build trust and recognition among younger demographics. Staffing remains another persistent challenge. Many institutions are “doing a lot with very little,” as one respondent put it. One solution may lie in developing shared staffing models—where neighboring credit unions pool resources to jointly hire specialists in compliance, IT, or human resources. This would alleviate burdens on individual teams while maintaining the personalized service for which credit unions are known.

Expanding physical and outreach access is also essential. Spatial analysis reveals significant service gaps in rural and southern parts of Indiana. Credit unions could address this issue by experimenting with mobile branches, rotating community presence at libraries or schools, and providing virtual financial counseling tailored to communities with limited transportation or internet access. Partnerships with local institutions, such as schools, food pantries, and churches, could help extend the reach without requiring permanent infrastructure. Education remains a cornerstone of credit union missions and should be further bolstered. Continued investment in tools like Zogo, KOFE, and Banzai can support financial literacy from early childhood through adulthood, fostering a lifelong understanding of personal finance. To increase effectiveness, credit unions should also ensure that these resources are accessible to non-English speakers, neurodiverse learners, and communities with limited digital literacy.

Finally, public policy can play a key role in supporting cooperative financial institutions. Policymakers should consider how legislation and funding streams can better support credit unions as engines of financial inclusion. This might include grant programs for digital upgrades, recognition of credit unions in statewide economic development plans, or regulatory flexibility tailored to the scale and structure of smaller institutions. Together, these recommendations aim to preserve the community-first identity of credit unions while equipping them to grow, adapt, and thrive in an increasingly digital and competitive financial environment.

8. Food Cooperatives

William Marchand

Brief Definition and History

Food cooperatives, or food co-ops, are retail enterprises organized and governed as democratically controlled cooperatives in which each member-owner holds an equal vote. Guided by the Rochdale Principles, the first modern co-op founded in Rochdale, England, in 1844 (NCBA, n.d.), such as voluntary and open membership, democratic member control, and concern for community, these organizations operate on a not-for-profit basis, returning any surplus either to members through rebates or reinvestment in the co-op's facilities and services. Member owners participate directly in setting policy, selecting product offerings, and shaping community initiatives, enabling food co-ops to prioritize local sourcing, sustainable agriculture, and equitable access to healthy foods over maximizing external shareholder returns.

In Indiana, grocery store cooperatives have supported consumer access to healthy foods in both urban and college-town settings since the 1930s. Bloomington's Bloomingfoods opened on July 24, 1976, after residents secured a $30,000 loan and volunteered to retrofit a former carriage house into a full-service market. Over the subsequent decades, it expanded into multiple member-governed locations that champion local sourcing, sustainability, and community engagement. In Goshen, Maple City Market traces its origins to a 1970s buying club formed by Goshen College affiliates; it incorporated as Centre-In Food Co-op in 1981 and transitioned to a storefront soon thereafter, growing into a cornerstone of the local food scene under democratic member governance (NCG, n.d.). Most recently, in response to racial exclusion at Bloomington's public farmers' market, activists and growers launched the People's Cooperative Market in 2019 to embed anti-racist and food-justice principles at the heart of its mission and operations (Herald Times, 2025).

Food Cooperatives in Indiana

Food insecurity is an official term from the USDA that describes when people do not have enough to eat and are unsure where their next meal will come from (Feeding America, n.d.). Food insecurity in Indiana has risen sharply in recent years, with more than 950,000 Hoosiers—about 13.9 percent of the population—experiencing food insecurity in 2022, compared to roughly 730,000 in 2021. Of those, 18.2 percent were children, and fully 65 percent of food-insecure households earned too much to qualify for SNAP, underscoring that many working families still struggle to afford consistent access to nutritious food (Gleaners, 2024). Underlying causes include unstable or insufficient income—which is the primary driver of food insecurity statewide—along with geographical barriers such as food deserts, where 10 percent of older adults in Central Indiana lack nearby full‑service grocers, and systemic inequities that exacerbate disparities among low‑income, Black, Hispanic, elderly, and disabled populations (Public Policy Institute, 2024).

Grocery co-ops in Indiana play a multifaceted role in addressing these challenges by combining retail services with community programs and education. For instance, Bloomingfoods Co-op administers an Indiana Department of Health–funded "Nutrition Made Easy" series—free monthly cooking and meal-planning classes—and a SNAP Double Dollars program that doubles the purchasing power of federal nutrition benefits, directly improving food affordability while reinforcing co-op values of democratic ownership and community investment (Bloomingfoods, n.d.). Similarly, Maple City Market in Goshen sources products from over 60 local farmers and producers, operates under a member-elected board and offers volunteer opportunities that foster deeper community engagement in regional food systems (Maple City Market, n.d.).

By anchoring healthy food access, co-ops address critical gaps in Indiana's food system—combating high costs, limited retail options, and social inequities. They reinvest any operational surplus into member rebates, store improvements, and community initiatives, which help stabilize prices and expand services such as delivery and nutrition counseling. Moreover, specialized efforts like Bloomington's People's Cooperative Market center anti-racist and food-justice principles, operating a weekly CSA box program out of First United Church to ensure equitable access for Black, Brown, and low-income residents and to rebuild trust after racial controversies at the city farmers' market. In essence, Indiana's grocery co-ops not only meet immediate needs for affordable, healthy food but also strengthen local economies, support marginalized communities, and foster a more resilient and inclusive food system.

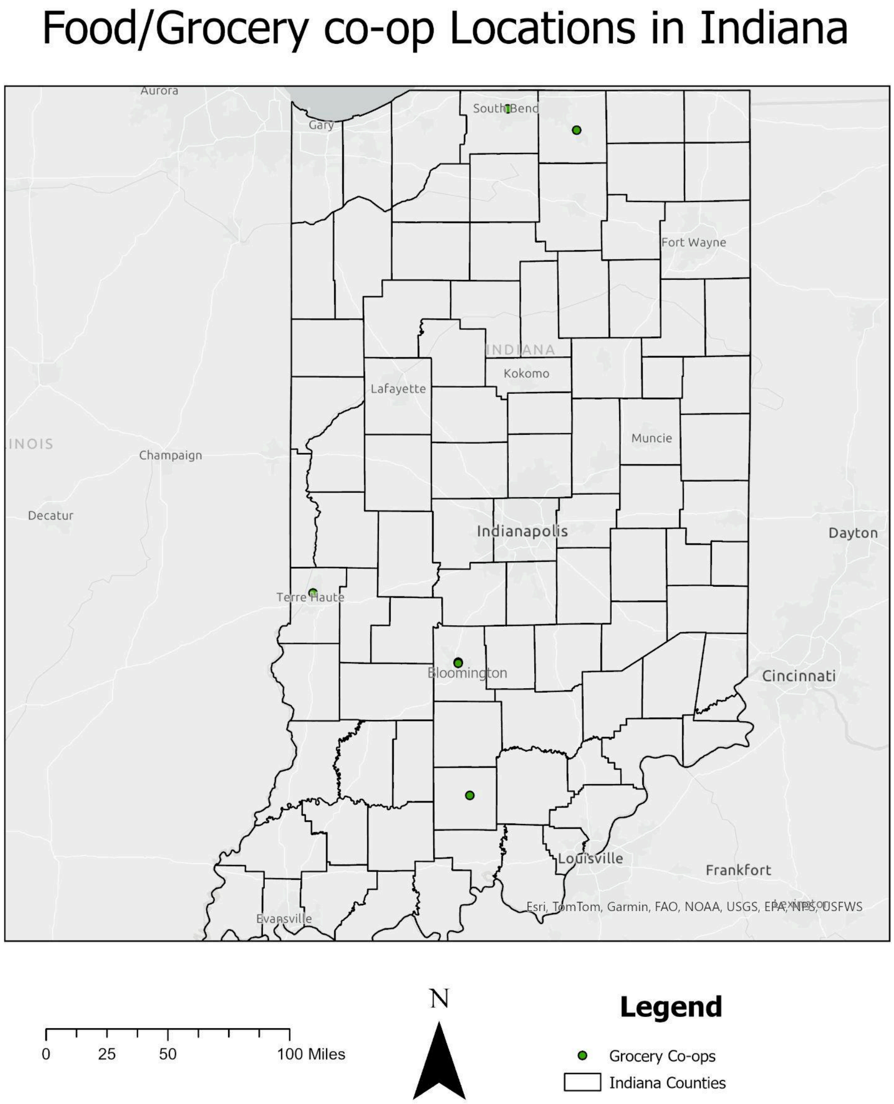

Figure 15. Geographic distribution of food cooperatives across Indiana (2025).

Figure 15 reveals a striking geographic clustering: Bloomington has two co-ops, while single locations serve Terre Haute, Goshen, South Bend, and Paoli, leaving vast swaths, particularly around Indianapolis, Fort Wayne, Evansville, and Lafayette, entirely unrepresented. This uneven distribution means that communities in the co-op's "cold spots" miss out on locally sourced produce, member-driven governance, and the social programming that co-ops often provide, such as nutrition education and charity partnerships. On the other hand, Bloomington's dual presence highlights a strong local demand and civic engagement there, but it also hints at market saturation relative to nearby counties. The map suggests considerable room for expansion: new co-ops in under-served urban centers and growing suburbs could not only meet rising consumer interest in sustainable, community-anchored food systems but also strengthen regional economies and social cohesion across Indiana.

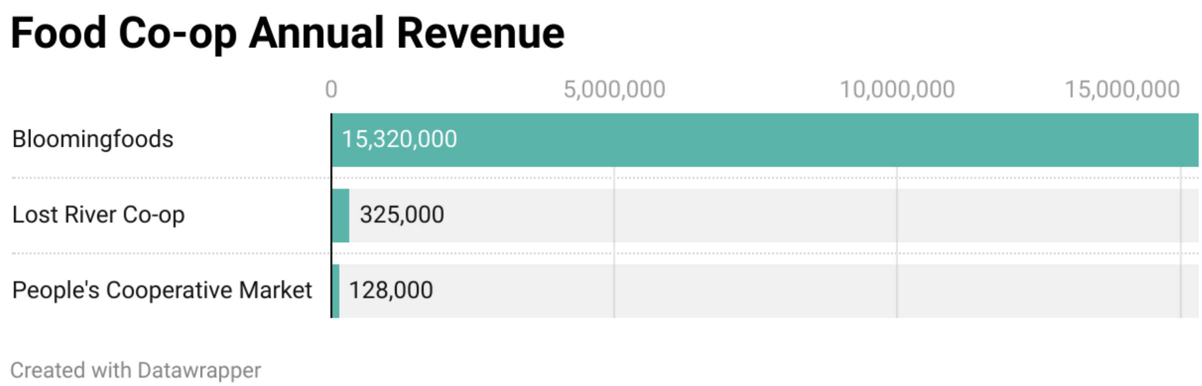

Figure 16. Annual revenue of food cooperatives in Indiana based on survey responses (n=3/5) (2025).

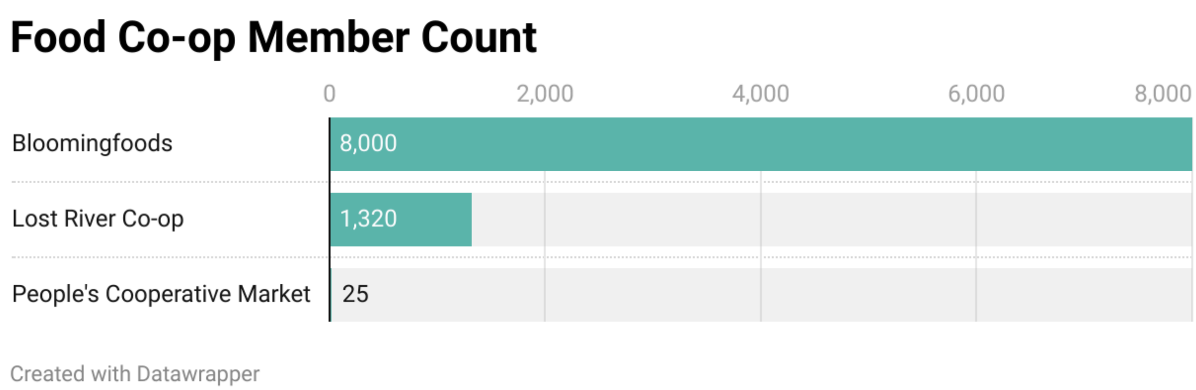

Figure 17. Member count of food cooperatives in Indiana based on survey responses (n=3/5) (2025).

Figure 16 and figure 17 show a clear positive correlation between member count and annual revenue: Bloomingfoods, with 8,000 members, generates over $15 million annually, Lost River Co-op's 1,320 members correspond with $325,000 in revenue, and the People's Cooperative Market, at just 25 members, brings in $128,000. This pattern suggests that strong membership bases are crucial for maintaining steady sales driven by regular patronage and member investment, as well as indicating deep community engagement and trust, which in turn leads to increased financial sustainability. In effect, cooperatives that cultivate large, active memberships are better positioned to leverage collective buying power, reinvest in local sourcing and social programs, and strengthen their role as community anchors. Conversely, a lower membership count may constrain both revenue growth and the co-op's capacity to serve and galvanize its neighborhood.

Based on survey responses, existing co-ops face numerous pressures that challenge not only their missions but also their margins. Factors such as inflation and supply chain volatility steadily increase the price of goods, reducing co-ops' ability to reach low-income and underserved communities with more affordable prices. Competition is also a substantial hurdle for co-ops to capture and retain market share, mainly due to streamlined logistics and the backing of deep purchasing power. Recruiting and retaining staff can also be a significant issue, as it is challenging to provide employees with a living wage while competing with larger companies that can offer higher salaries and better benefits. In minority and marginalized communities, co-ops have also faced systemic racism manifested by reduced access to startup capital and fewer philanthropic dollars, which undermines their financial and social resilience.

Community Engagement

The community engagement at Bloomingfoods relies on economic exchange through local sourcing and social programming, which addresses issues such as food insecurity and equity. As the Staff Director explains, “We work with a ton of local companies, from producers who make a dozen candles a month to these huge distributors. I think that keeps the money in the community” (Interviewee 1). By distributing resources within South Central Indiana, Bloomingfoods supports artisans and farmers whose reinvestment enhances the regional economy.

This economic model is accompanied by the co-op’s Positive Change initiative, where customers “round-up at the register for a rotating local charity” (Interviewee 1). Since its launch in 2016, patrons have donated more than $1 million, turning everyday purchases into support for other food and housing nonprofits and reinforcing a sense of collective responsibility.

The vice president of Bloomingfoods emphasizes how vital accessibility and local support are to the co-op: “The store is very concerned about its community and wants to do everything that it can to make it accessible to everyone and to support local businesses, obviously farms, and anyone who is local… And normally it's South Central Indiana” (Interviewee 2). Bloomingfoods continues to support local products by hosting special discount days, ensuring that Indiana-based producers receive prominent exposure and pricing incentives.

Bloomingfoods also increases food security with its SNAP Double Dollars program, matching EBT purchases at fifty percent off for eligible items, which “brought in a lot of people who… would never come in here or never even know that there was a co-op.” (Interviewee 1). Together, these strategies of local sourcing, philanthropic initiatives, and affordability programs demonstrate how Bloomingfoods embeds economic and social values into its mission.

Governance and Democratic Structure

Across Indiana’s food co-ops, governance structures reflect their commitment to democratic member control. Drawing from survey responses, Bloomingfoods operates with nine elected board members, Lost River Co-op with seven, and the People’s Cooperative Market with five. As Bloomingfoods’ vice president explains, “The store obviously faces forward, faces the community, and interacts with the community all the time. As board members, we applaud that

(…). Because it's a membership organization, there's a committee just to make sure that our members are heard, that they have a say in what goes on" (Interviewee 2). Unlike traditional corporate boards, co-op directors must stand for election and actively persuade their fellow owners— "you have to convince people that running or standing up for an election is a good thing to do…because…being on the board is heavy duty in terms of the time commitment" (Interviewee 2). This rigorous, participatory process ensures that strategic decisions, from product mix to community outreach, remain accountable to those who invest their time and money in the co-op. By calibrating board size to membership scale and embedding regular elections, co-ops turn grassroots engagement into institutional stewardship, reinforcing both financial sustainability and member trust.

The board of directors and Bloomingfoods' membership maintain a dynamic and reciprocal decision-making relationship rooted in transparency and the empowerment of members. As the staff director observes, "Any time we want to change the bylaws, that does have to go to a vote to the members," meaning that "they are…in many ways determining the structure of the organization and the rules that we play by." Moreover, the board—and store leadership more broadly—relies heavily on grassroots input: "Every little bit of feedback that…members and non-members give is read," ensuring that "all that feedback makes its way to the people who make the decisions." While it can be "pretty difficult…to keep everybody happy and make everybody feel like they're a part of it," these formal votes and ongoing feedback loops emphasize the co-op's commitment to democratic governance and continuous member engagement.

Recommendations

To break the cycle of financial hardship and build a lasting impact, food co-ops need a plethora of helpful resources tailored to their specific structure and mission. Professional consulting that is either free or low-cost can bring insight into diversification, financial modeling, and membership engagement, which would add minimal cost while helping to optimize operations and better handle inflationary pressures. Retail promotion initiatives expand visibility and help drive more sales through initiatives such as community events or co-op branding campaigns. Targeted investment strategies and increased funding opportunities enable co-ops to focus on improving infrastructure, such as cold storage and local produce, or mitigate the impact of economic instability. Ultimately, capacity-building programs, including leadership training, equity audits, and peer mentoring, better equip co-op boards to handle growth, foster inclusive governance, and proactively address racial and economic barriers in their communities.

9. Housing Cooperatives

James Hyde, Bryce Deckard, and Michael Daniel

Brief Definition and History

Housing cooperatives are a form of housing in which land or units are collectively owned, and the management and/or expenses are shared among owners. Although shared housing has a history as old as time, collective ownership of housing has largely become institutionalized in Europe and the United States over the last 200 years. In the US, early housing cooperatives were formed in the early 20th century,, and they mainly were luxury, high-income “home clubs” that appealed to those who wanted to distance themselves from typical tenants. Because these existed before fair housing laws, potential owners were denied housing due to racial or religious differences. Most luxury co-ops did not survive the depression, leaving space for cooperatives oriented around affordability in the post-war years (National Cooperative Law Center, n.d.).

It was after World War II that housing cooperatives became part of an affordable housing movement and structured themselves around maintaining reasonable prices to provide accessible places to live. Following the war, cooperative home ownership received equal treatment under the Internal Revenue Service (IRS) code, and the Lanham Act of 1949 prioritized the the conversion of public land into affordable housing; as a result, many new affordable co-ops were formed (National Cooperative Law Center, n.d.). These initially existed primarily in urban areas in the northern United States, such as New York and Chicago, although the model quickly spread throughout the country in the ensuing decades.

Interestingly, some of the earliest cooperatives that still exist in Indiana are located in West Lafayette and were founded in the 1930s. They are student cooperatives that are adjacent to fraternities and sororities, and they speak to the deep history of alternative housing structures in Indiana. Many other cooperatives were established throughout the 1960s and 1970s in the metropolitan areas of the state, including Indianapolis and Fort Wayne, aligning with broader national movements towards subsidized housing. Very few cooperatives were formed in Indiana in the 1980s, but this was followed by another spike in cooperative formation in the 1990s. The number of new cooperatives formed in the 2000s and 2010s is relatively low, indicating an opportunity for increased growth. Figure 18 shows the number of housing cooperatives formed in Indiana by decade, indicating clear peaks (8+ cooperatives) in the 1960s and 1990s.

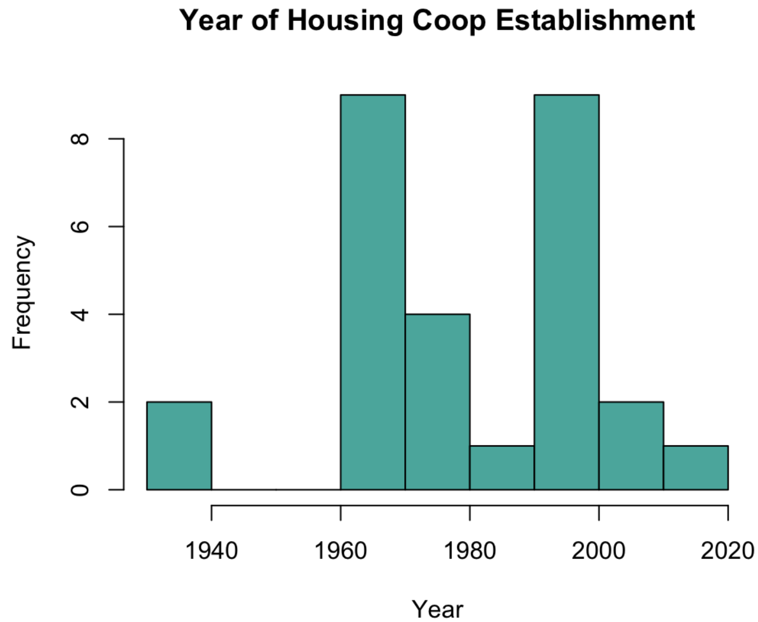

Figure 18. Histogram of the number of housing cooperatives established in Indiana by decade, 1930-2020.

Housing Cooperatives in Indiana

Indiana, like much of the United States, is experiencing a severe shortage of affordable housing, which presents significant challenges for its residents. The National Low Income Housing Coalition found that 220,399 renters (27% of all Indiana renters) are classified as Extremely Low Income (ELI). Still, the number of units that are affordable and available to these people falls short by 137,427 households (National Low Income Housing Coalition, n.d.). Among ELI Indiana residents, 74% are severely cost-burdened - spending 50% or more of their income on housing (National Low Income Housing Coalition, n.d.). Not only does the lack of affordable units make it difficult for ELI Hoosiers to obtain stable housing, but the severe cost burden incurred by those who can secure housing can also create difficulties in accessing food, medicine, or other essential items.

Housing cooperatives have the potential to provide housing at affordable and stable costs to residents for several reasons. Firstly, because housing cooperatives are owned collectively rather than by a single landlord to make a profit, they are generally able to provide housing at costs below market rates. Monthly costs to live in a housing cooperative are also less likely to increase over time as they are less influenced by market forces compared to conventional renting structures. Living in shared structure cooperatives, such as Bloomington Cooperative Living, can also lower housing costs by providing individual rooms with shared kitchens and/or bathrooms, as well as shared chores distributed among residents. Not only does the distribution of chores lower maintenance, cleaning, and even food expenses, but it can also produce a collaborative social environment that fosters community cooperation and mutual assistance. An interview we conducted with a leader of a successful housing cooperative explained, “Everyone is required to do two chores a week…that means that if there are 21 bedrooms, then there are 42 slots, which means that someone mowing the lawn is one slot. Someone acting as house treasurer is another slot. You know, someone taking out the trash is another spot. So you can see how there's both a lot of human power that's being cooperatively organized to maintain a big house”.

Because their structure enables them to provide housing at lower costs than traditional renting, housing cooperatives can address housing needs in a variety of places and forms, including urban and rural areas, shared buildings, or individual units, serving students and families, among others. Although cooperative housing can alleviate housing crises anywhere, its impact is most significant in areas with high rent prices, large numbers of low-income residents, and/or areas with a lack of housing. These criteria are often true of urban areas, including Indianapolis, Bloomington, South Bend, Terre Haute, and Muncie in Indiana.

Data Analysis

Overall, our research found 28 housing cooperatives in the state of Indiana. Our census found that 8 of 28 housing cooperatives in Indiana are located in West Lafayette, and seven are found in Indianapolis. Other cooperatives are located in smaller urban areas throughout the state, including Bloomington, Columbus, Fort Wayne, and Decatur. Figure 19 displays the locations of housing cooperatives in Indiana as well as the percentage of rent-burdened households in each county. Rent burden is defined as the cost of rent being 30% or more of an individual’s income and is a valuable metric for identifying areas where housing costs are a significant barrier to financial and housing stability. Eight counties in Indiana have 45-54% of their residents experiencing a rent burden, including Tippecanoe and Marion Counties, which contain West Lafayette and Indianapolis, respectively. These counties are home to over half of the housing cooperatives in the state. Of the remaining six counties, only Monroe and Grant County contain housing cooperatives. St. Joseph, Vigo, Brown, Fayette, and Ohio Counties have a a 45-54% rent burden, yet no cooperatives, indicating a gap in the current housing needs being addressed by cooperatives and, therefore, opportunities for expansion in these counties.

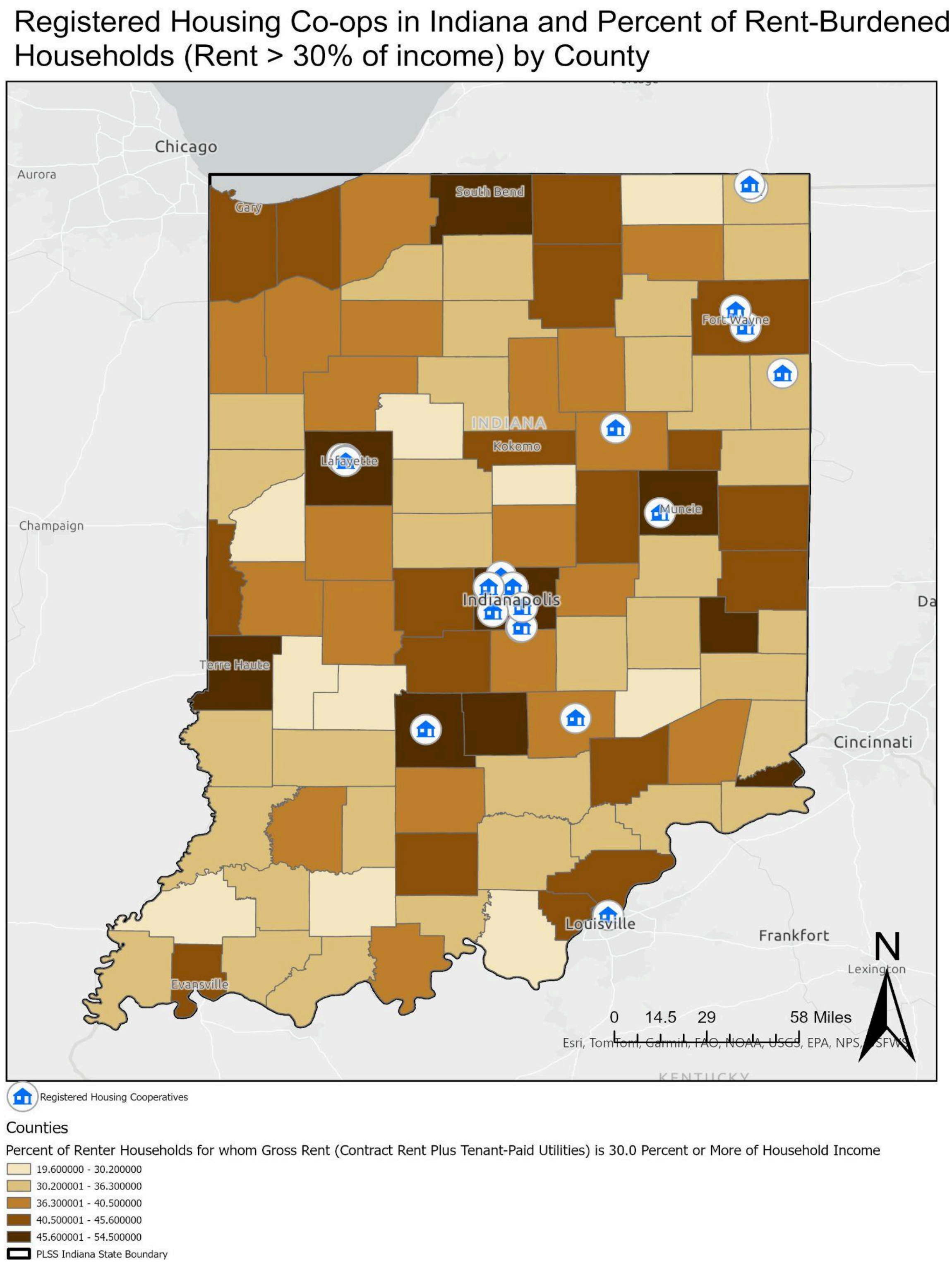

Figure 19. Locations of registered housing cooperatives in Indiana and percent rent burden by county.

Our survey unfortunately received only 6 out of a possible 28 responses, so the following data visualizations and analyses are severely limited by the dataset's size. However, they still yield valuable insights into housing cooperatives in Indiana. Figure 20 shows the number of employees at each cooperative surveyed and reveals that four of the six respondents have five or fewer employees, with only one having more than 10. Although we cannot say that this is representative of the entire state, these data do indicate that housing cooperatives can be very small operations with limited staff. Similarly, survey data on the number of members correspond with the number of employees, with five of the six responding cooperatives having 100 or fewer members (Figure 21). Members in this instance include residents as well as board members. These data suggest that most cooperatives in Indiana are relatively small, and very few have more than 100 members. Again, our survey data are unlikely to represent all housing cooperatives in the state, but they do suggest the aforementioned trends.

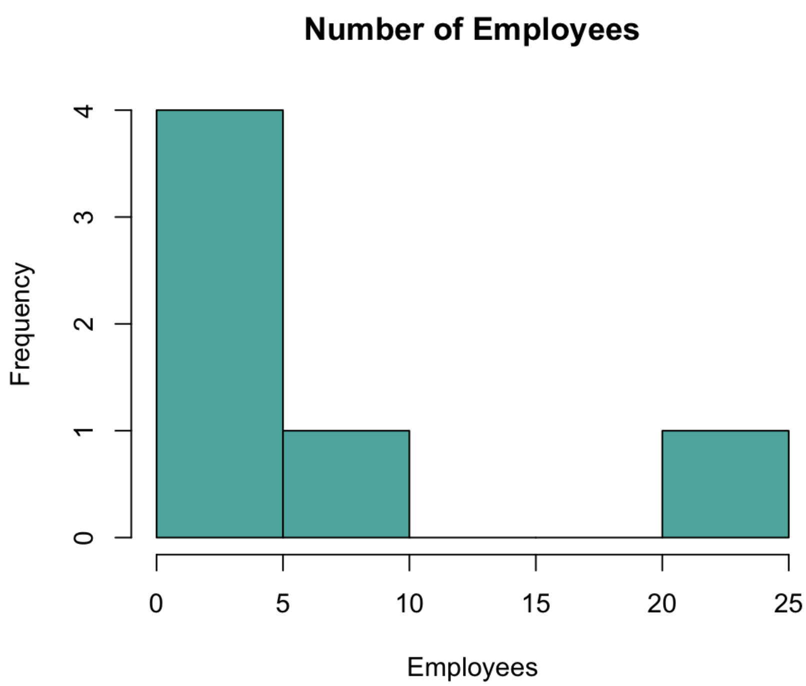

Figure 20. Histogram of the number of employees employed at each housing cooperative (among survey respondents).

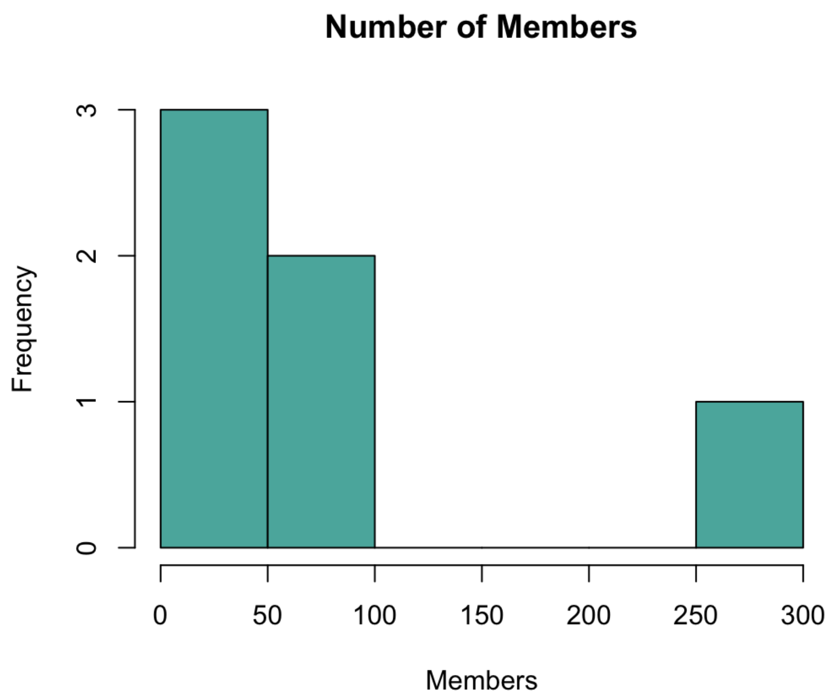

Figure 21. Histogram of the number of members in housing cooperatives in Indiana. All residents are considered members, but board members may be members that are not residents.

Recommendations

To better support the long-term success of housing cooperatives in Indiana, it is important that cooperatives have access to legal and technical assistance. Many cooperatives lack the necessary legal expertise or financial resources to complete the required forms, paperwork, and permits to operate effectively. These legal requirements currently stand as a barrier to entry for new cooperatives. Organizations such as the Indiana Cooperative Development Center (ICDC) can provide crucial assistance to housing cooperatives by offering legal support on topics like local regulations, permitting, and grant or funding applications, thereby reducing barriers to the development of new cooperatives. Federal, state, and local governments should also take steps to simplify the legal process of opening a cooperative housing. An interview we conducted with a leader of a successful housing cooperative explained, "City-level support is really important if we actually want to build more housing that will address the housing crisis" (Interviewee, April 16). Local governments could support new housing cooperatives by offering public spaces to educate the community on cooperative housing or by coordinating with new cooperatives in their development stages to ensure local bureaucracy doesn't hinder their operation.

Our survey also indicated that many cooperatives struggle with managing and maintaining their properties due to budget constraints. To address this, it would be recommended that cooperatives find ways to address maintenance costs. This can be addressed by having a shared maintenance crew with other housing cooperatives, therefore reducing the cost of maintenance. Residents can also take a more active role in maintaining and managing their property whenever possible. Cooperatives could also partner with local organizations or trade schools to sign agreements for discounted labor, particularly if they own multiple properties.

Beyond technical issues, cooperatives often encounter challenges in day-to-day operations, as well as issues with residents. Living in a cooperative depends on shared responsibility, which can create conflicts between residents, especially in cooperatives with shared spaces. If these conflicts are not adequately addressed, they can create divisions that undermine the trust within the community. Workshops on conflict resolution would aid in the shared living dynamics of these cooperatives, making personal disagreements less detrimental to the community.

10. Mutual Insurance Companies

Isabelle Harper, Mateo Escobedo, Trinity Cuellar

Brief Definition and History

Mutual insurance companies are cooperatives owned entirely by their policyholders. Their origins in the United States, and Indiana in particular, can be traced back to the 19th century when farmers and rural communities began forming farm mutuals to protect one another from devastating property losses caused by fire, hail, and storms. These mutuals were often based in a single county or township and operated out of homes or local general stores.

Indiana has historically been a hub for these small insurance cooperatives. The state's geographic location in the heart of the Midwestern farm belt, combined with a tradition of self-reliance among its agricultural communities, made it great for mutual insurers. These organizations enabled policyholders to pool resources and spread risk among themselves at a time when commercial insurance was either unaffordable or unavailable to rural landowners. By 1900, Indiana had dozens of local mutuals serving county-level farm associations.

The National Association of Mutual Insurance Companies (NAMIC) was founded in 1895 in Des Moines but moved to Indiana within a few years, first to Crawfordsville and then to Indianapolis, where it remains headquartered today. The organization was formed after several Indiana and Midwest-based mutuals began calling for national coordination, regulatory representation, and support for mutual values (Anonymous, 2025). Over time, NAMIC has evolved into a national trade association representing over 1,500 member companies across the United States while remaining deeply rooted in its Indiana heritage.

The mutual insurance landscape in Indiana today encompasses both legacy farm mutuals and larger organizations, such as State Farm, which, although national, still operates under a mutual model. According to the representative, Indiana continues to have "some of the smallest co-ops in the country, some run from kitchen tables, but also big players, all working under the mutual principle of serving the policyholder first" (Anonymous, 2025). Despite the challenges posed by consolidation and changing market dynamics, mutual insurers in Indiana continue to be a vital part of the state's cooperative economy.

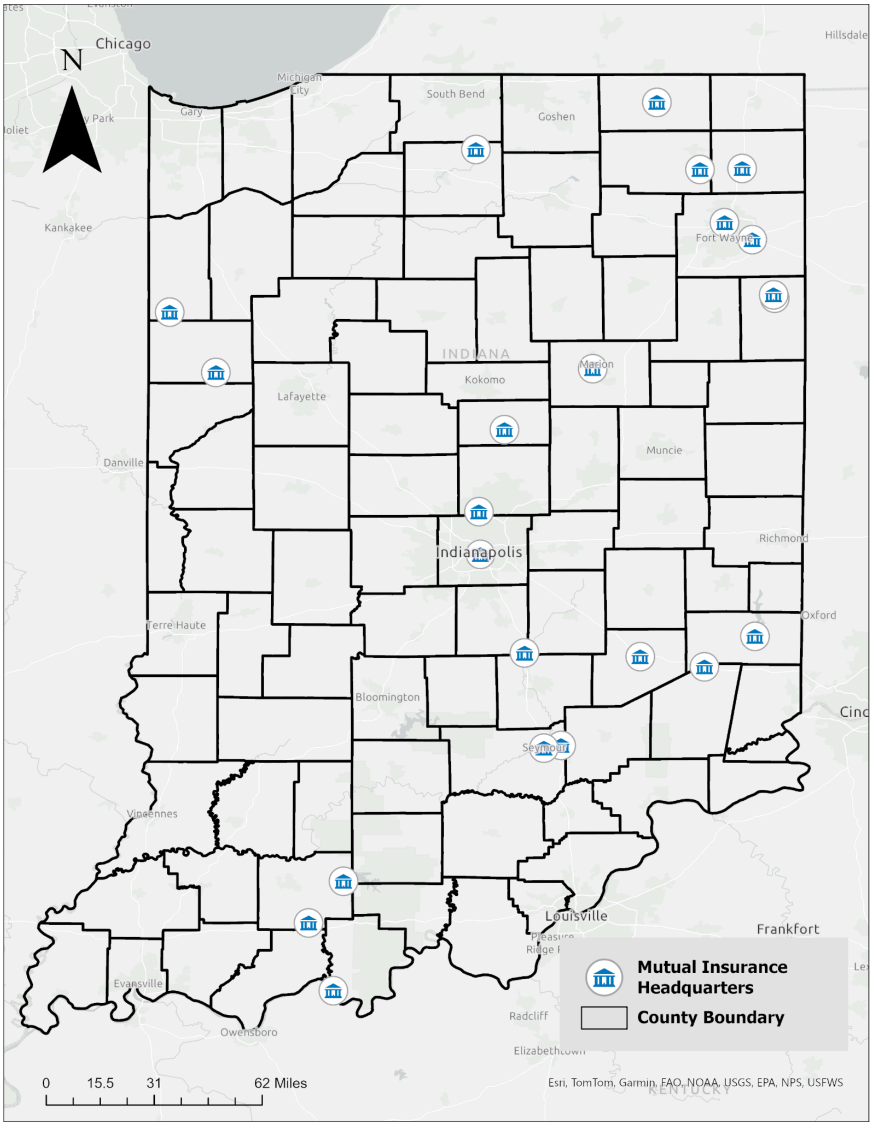

Figure 22. Geographic distribution of mutual insurance companies in Indiana (2025). These companies tend to be located in rural counties and small towns, with little to no presence in major urban centers.

As shown in Figure 22, mutual insurance companies in Indiana are geographically concentrated in rural and semi-rural counties—particularly in central and southern parts of the state. This distribution reflects their historical roots in agricultural communities, where neighbors banded together to insure property against fire and storm damage. Notably, these mutuals are absent from the state's largest urban counties, including Marion and Lake, where commercial insurance firms have long dominated. The geographic footprint of mutual insurers highlights both their enduring presence in underserved regions and the potential need for modernization or consolidation to ensure long-term viability.

Mutual Insurance Companies in Indiana

Mutual insurance companies in Indiana (see Figure 22) continue to meet critical community needs by offering affordable insurance, disaster response, and cooperative, member-centered service—particularly in rural areas underserved by commercial carriers. Rooted in a tradition of risk-sharing among neighbors, mutuals remain highly relevant today as accessible, trusted alternatives to shareholder-driven insurance models.

One of the primary needs these cooperatives fulfill is affordable coverage for geographically isolated or economically vulnerable households. Many mutuals were initially formed to protect communities from common threats, such as fire, wind, and hail, especially when commercial insurance was either unavailable or unaffordable. This role persists today. As one survey respondent shared, "We increase our number of members every year and remain focused on providing access to families who trust the mutual model." Unlike stock companies, mutuals operate for the long-term benefit of their policyholders, not investors (NAMIC, 2024).

Mutual insurers also serve as financial "first responders" in the aftermath of disasters. According to a NAMIC representative, mutual companies in towns like Brownsburg, Indiana, routinely contact clients via phone or text in the immediate aftermath of events like tornadoes or wildfires—often long before national carriers arrive. This hyper-local responsiveness provides reassurance and recovery support in moments of extreme uncertainty, especially in rural areas where infrastructure and services may be limited.

Despite their small size, Indiana's mutual insurers are not stagnant. Survey responses reveal an adaptive sector that is cautiously expanding into new product areas and geographic markets. One respondent noted, "We will be adding mortality insurance as well," pointing to diversification into life insurance. Others described focused growth strategies aimed at increasing membership, particularly in northern Indiana counties. These developments demonstrate that mutuals are evolving while still maintaining their traditional focus on personalized service.

A consistent challenge voiced in both the survey and NAMIC interview is the lack of public understanding of the mutual model. "The biggest challenge is awareness about the cooperative model," one mutual stated. This knowledge gap limits recruitment and public engagement, reflecting a broader issue across cooperative sectors: a need for civic education on member ownership, governance, and community reinvestment (International Cooperative Alliance, 2023).

Financial pressures are another primary concern. Mutuals are facing rising reinsurance premiums and must navigate complex regulatory environments without the back-office scale of large insurers. "We need support in regulating the reinsurance business," one respondent explained. Others pointed to capital access and regulatory relief as crucial unmet needs. As one insurer summarized, "Access to capital. Less restrictive regulations. Recognition of the unique role mutuals play in rural markets." These insights align with NAMIC's 2024 legislative priorities, which advocate for greater state and federal recognition of mutuals' role in insuring difficult-to-cover areas.

Though these firms operate with lean staff and minimal marketing budgets, they are not passive. Many mutuals engage in community-facing initiatives such as scholarship programs, partnerships with local agents, and risk-prevention campaigns. While less visible than the outreach of larger cooperatives, such as credit unions, these activities reflect the same values of community empowerment and local accountability.

Personalized Service and Community Trust

Data from the Mutual Insurance Co-Op Survey and an interview with a representative from the National Association of Mutual Insurance Companies (NAMIC) reveal that personalized service is at the core of the mutual model. One survey respondent shared, “We’ve served some of the same families for three generations,” highlighting long-term relationships that extend beyond financial transactions. Mutual insurers are most common in rural areas and often serve as informal “financial first responders” during disasters—providing direct outreach and claim support within hours of an event. As one NAMIC representative noted, “Mutuals are uniquely positioned to know their members—they're not just numbers in a system.” These findings reinforce the role of mutuals as deeply trusted local institutions.

Democratic Control and Cooperative Governance

The mutual model is also defined by its democratic structure. All policyholders are members, and each receives an equal vote regardless of the size of their policy or location. This principle of “one company, one vote” ensures that small-town mutuals and large firms like State Farm each have equal representation in industry bodies. During the NAMIC interview, the representative emphasized this diversity, noting that their 21-member board includes mutuals ranging from those insuring hundreds of families to multi-state carriers. This structure reflects the cooperative value of member control, ensuring that decision-making remains transparent and community-centered, even as firms scale or adapt to new market challenges.

Survey Insights and Sector Priorities

Although the sample size was limited, the Mutual Insurance Co-Op Survey provided valuable insights into a sector that balances tradition and adaptation. Key themes that emerged from respondent quotes and qualitative coding included trust, regulatory burden, capital access, and democratic accountability. All respondents cited rising reinsurance costs and complex compliance requirements as top concerns. One respondent stated, “They’re just not making new mutuals anymore—it’s too hard with today’s capital requirements.” Another added, “We need support in regulating the reinsurance business—our costs keep going up.” These pressures have made it difficult for new mutuals to form and for smaller ones to remain viable.

Yet the outlook isn't entirely grim. Each respondent also reported recent or planned service expansions, including moves into life and health insurance. Combined with strong community loyalty and commitment to cooperative values, this suggests that mutual insurers could thrive—if given the visibility, infrastructure support, and regulatory flexibility they need.

Impact

Mutual insurers serve a unique role in Indiana's financial landscape by offering affordable property and casualty insurance, disaster response, and long-term community resilience. Survey respondents highlighted how their teams respond quickly to claims, often reaching out to policyholders via phone or text within hours after a storm or fire event. In addition to coverage, mutuals contribute to local economic development by partnering with independent agents who are embedded in the communities they serve—creating local jobs and building relationships based on trust. Their commitment to the community extends beyond insurance. Some mutuals support scholarships and educational pathways through the Mutual Insurance Foundation (NAMIC, 2024), ensuring that younger generations can pursue careers in the insurance and financial services industry. One survey respondent wrote, "We increase our number of members every year and remain focused on providing access to families who trust the mutual model," reflecting the sector's ability to grow through word-of-mouth and reputation, even without expansive marketing budgets.

Challenges

Mutual insurers in Indiana face significant structural and operational challenges that threaten their long-term sustainability. Rising reinsurance costs were the most frequently cited concern among survey respondents. As one insurer put it, "We need support in regulating the reinsurance business—our costs keep going up." These increased costs directly impact the affordability of premiums and the ability of mutuals to remain competitive with larger carriers.

Regulatory complexity is another pressing issue. Small mutuals often lack dedicated compliance departments yet must navigate the same state and federal insurance regulations as larger firms. This uneven burden can slow down innovation and absorb staff time that would otherwise be spent serving policyholders.

Respondents also emphasized a broader lack of public awareness about the mutual model itself. One survey participant explained that "awareness about the cooperative model" remains their greatest challenge when trying to attract new members. Perhaps most concerning is the barrier to entry for new mutual insurers. "They're just not making new mutuals anymore—it's too hard with today's capital requirements," one respondent noted, pointing to the lack of legal and financial incentives for starting or expanding mutual operations.

Taken together, these challenges reflect not only the resource limitations of individual firms but also systemic obstacles that make it difficult for the mutual model to grow or replicate, even as trust in these institutions remains high within their communities.

Over the past few decades, Indiana has experienced a steady decline in the number of operating mutual insurance companies, mainly due to industry-wide consolidation. Many smaller mutuals have merged with larger regional entities in response to rising administrative costs, reinsurance pressures, and heightened regulatory demands. While mergers can offer greater financial stability and compliance capacity, they also pose risks to local autonomy and member representation. Survey respondents expressed concern that “mutuals are disappearing” and that with each consolidation, communities lose a bit of the personal service and place-based decision-making that defined the sector. This trend aligns with national patterns: according to NAMIC, the number of farm mutual insurers across the United States has decreased by more than 50% since the 1980s, primarily due to financial and regulatory pressures (NAMIC, 2024). Without policy or infrastructure support, Indiana’s remaining mutuals may continue to shrink—not because they lack trust or relevance, but because they lack the scale to survive alone.

Recommendations

To ensure the long-term viability of mutual insurance companies in Indiana, a combination of policy reform, sector collaboration, and targeted support is needed. First, state and federal regulators should consider revisiting capital requirements and licensing pathways for small mutuals. Respondents noted that “they’re just not making new mutuals anymore,” suggesting that current thresholds are too high for community-rooted startups. Lowering entry barriers—especially in rural areas with limited insurance options—could help revitalize the sector.

Second, state policymakers should explore ways to regulate and stabilize reinsurance markets for small firms. As reinsurance costs climb, mutuals find it harder to remain competitive without raising premiums. Respondents called for “support in regulating the reinsurance business,” indicating a need for pooled purchasing systems, subsidies, or rural reinsurance partnerships that buffer these local insurers from volatile pricing.

Third, the mutual insurance community—through organizations like the Indiana Farm Mutual Insurance Association or NAMIC—should invest in coordinated public education efforts. Many consumers remain unfamiliar with the mutual model, which limits recruitment. A statewide campaign that explains the mutual difference (member-owned, locally controlled, community-reinvested) could help draw younger generations and build trust in underserved areas.

Fourth, mutuals could benefit from shared administrative services and digital modernization grants. For many, the cost of updating websites, processing claims electronically, or navigating compliance burdens is simply out of reach. A cooperative digital infrastructure—funded through the state or a mutual alliance—could enable smaller firms to streamline their operations without compromising autonomy.

Finally, while mergers may sometimes be necessary, they should be approached with a preservation mindset. New frameworks could support “affinity mergers,” where mutuals retain their identity and local leadership while sharing backend operations. This would help sustain mutual values even in times of consolidation. Together, these recommendations aim to preserve the mutual insurance sector not as a nostalgic holdover—but as a living model of cooperative risk-sharing that continues to meet the needs of rural Indiana.

11. Utilities Cooperatives

Abigail Black, Alison Isbell, Nicholas Klos

Brief Definition and History

A Rural Electric Membership Corporation (REMC) is a nonprofit, member-owned cooperative formed under Indiana law to provide affordable electricity to rural communities. These organizations are entirely owned and governed by the people they serve; only those who receive electric service from a REMC can be members, and only members can receive service. There are no outside owners or directors; REMCs are locally operated, Hoosier-owned enterprises dedicated to meeting the needs of their communities. As tax-paying and professionally managed businesses, REMCs exist solely to benefit their members and support the well-being of the areas they serve (Indiana Statewide REC, Inc., 1980).

The origins of REMC cooperatives can be traced back to the Great Depression, during which rural areas in the United States largely lacked access to electricity, prompting efforts to address this disparity through consumer-owned utility cooperatives. Harvey Hull proposed that similar cooperatives could work in the United States, inspired by electrification models he observed in Scandinavia, where 65% of rural Norway and Sweden had electricity thanks to consumer ownership and government loans. Hull, along with Frederick I. Barrows, drafted legislation that would allow for the creation of Rural Electric Membership Cooperatives (REMCs), emphasizing local ownership and protection from exploitation by private utilities. Their efforts culminated in the passage of the Indiana REMC Act on March 9, 1935. Following this, the Indiana Farm Bureau established the Indiana Statewide Rural Electric Membership Corporation to support and promote rural electric co-ops. The federal government also created the Rural Electrification Administration (REA) to provide long-term, low-interest loans. Boone County REMC was developed as a model, backed by an $87,000 investment from the Farm Bureau, setting the stage for widespread rural electrification through cooperatives (Born, 1985).

Rural Electric Cooperatives

Rural electric cooperatives play a crucial role in providing electricity to rural communities that commercial utility companies may not find particularly profitable to serve. Overall, there are three main types of electricity providers in the U.S. Generally, investor-owned utilities (IOUs) and municipal-owned utilities serve densely populated areas. In contrast, rural electric cooperatives serve less populated areas. The former two operate on a business model that aims to turn a profit, driving up the price of electricity for customers. Cooperatives usually operate on a not-for-profit basis, meaning they don’t have to pay outside stockholders or incur other expenses, as the members are the owners. This allows cooperatives to charge rates only large enough to cover costs (Seibert, 2017).

Utility Cooperatives in Indiana

Indiana currently has 55 utility cooperatives in the state. As seen in Figure 23, 78% percent are electric cooperatives (43), 13% are telephone and/or broadband (7), 3.6% are water (2), 3.6% are wastewater (2), and 1.8% provide all of the listed services (1) (Figure 23 and 24).

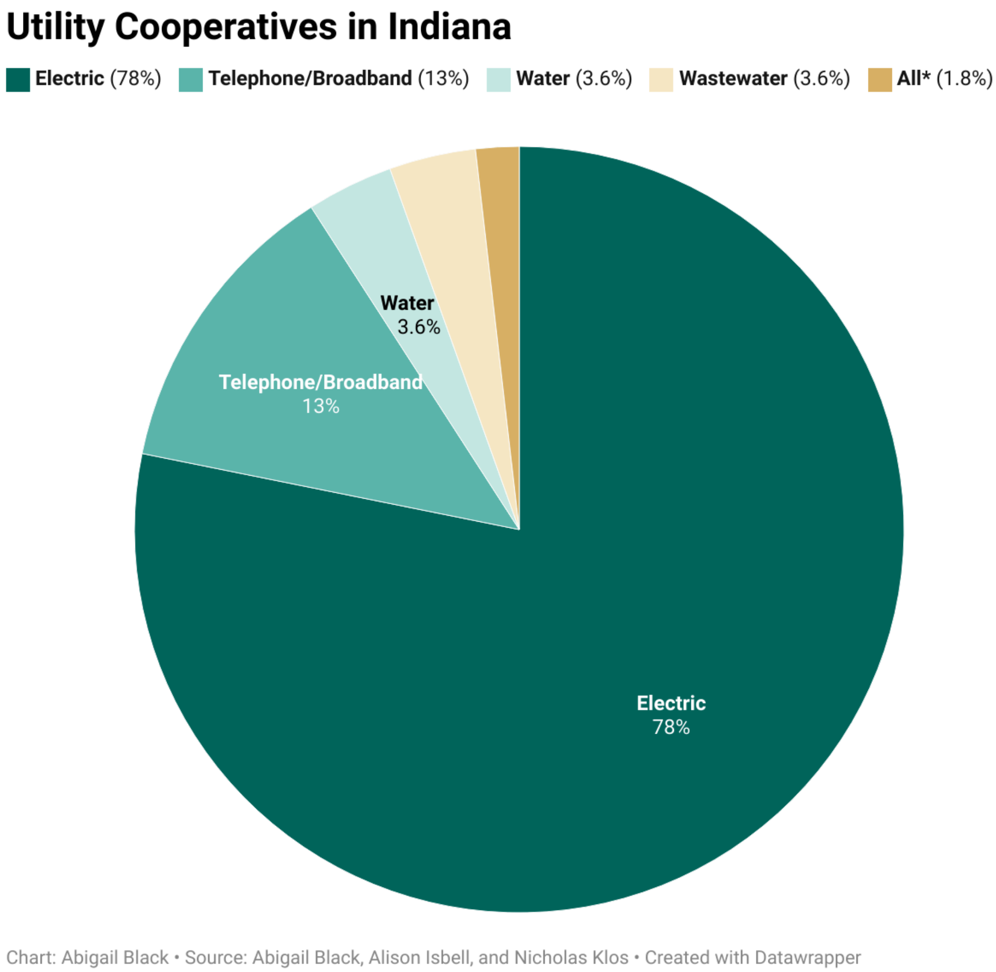

Figure 23. Utility Cooperatives in Indiana.

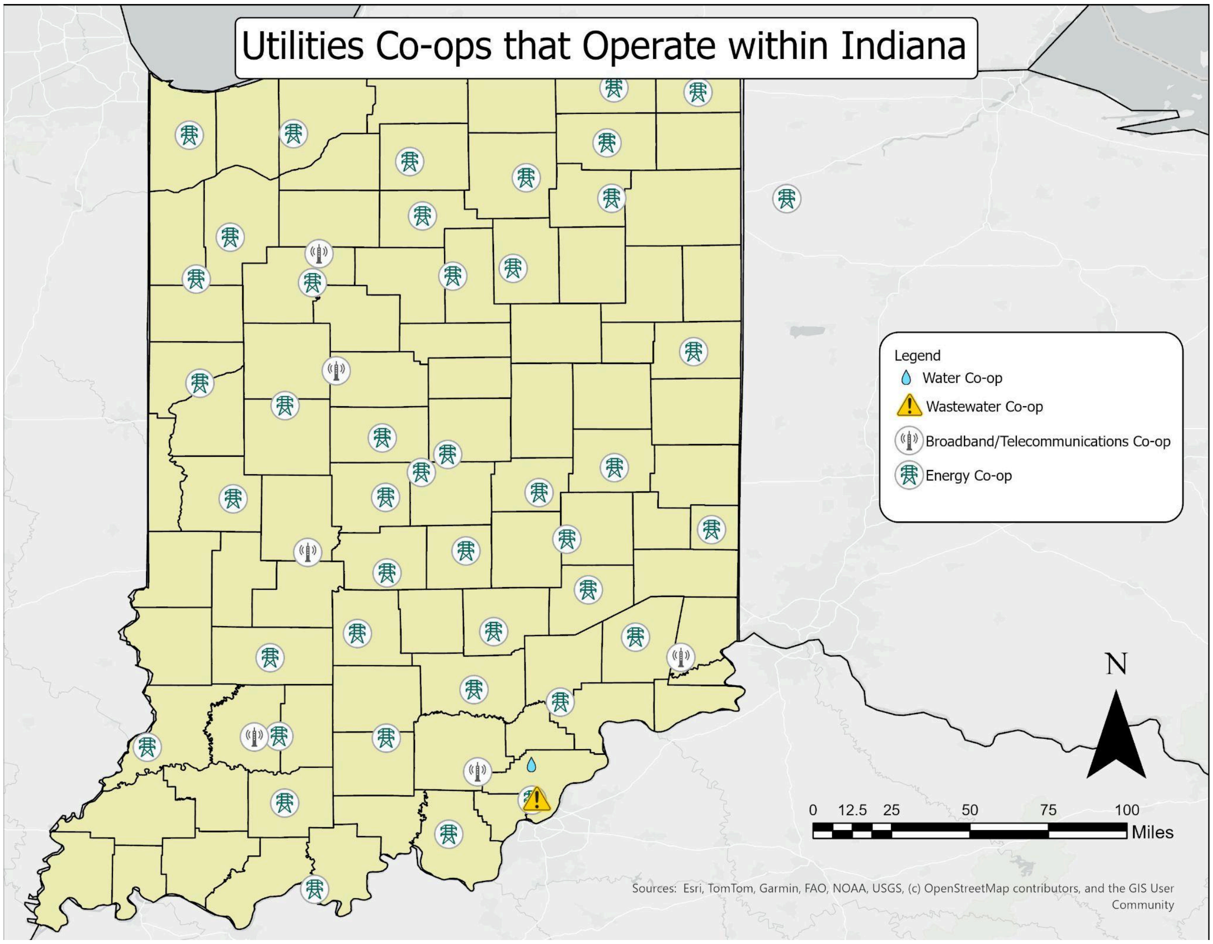

Figure 24. Distribution of utility cooperatives that operate in Indiana.

Out of the 55 contacted utility cooperatives in Indiana, only 19 responded to the Indiana University Utility Cooperative Census 2025 that was conducted. As seen in Figure 25, 79% of survey respondents were electric cooperatives (16), and 21% were telephone and/or broadband cooperatives (5).

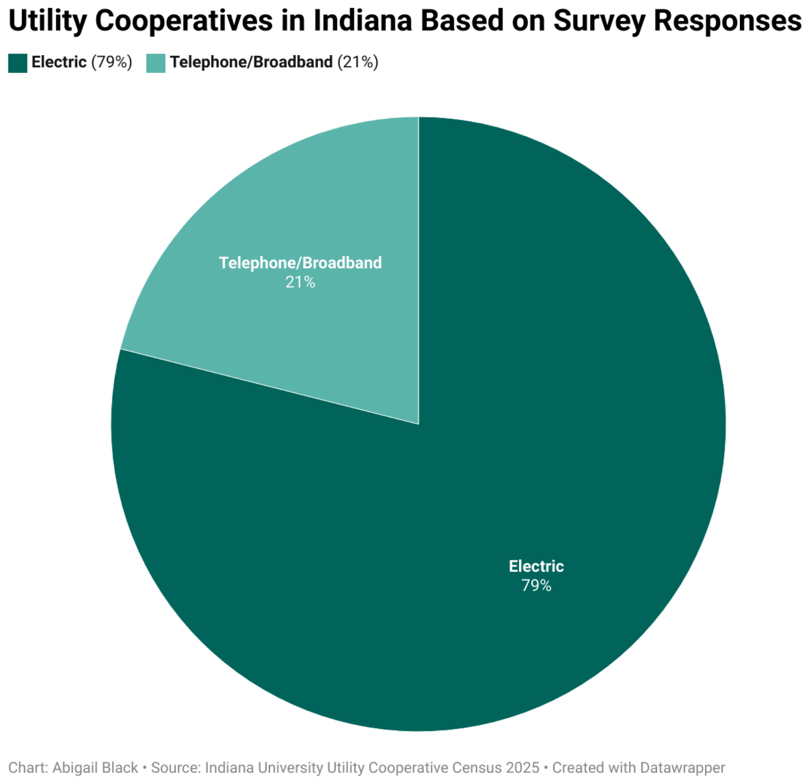

Figure 25. Utility cooperatives in Indiana based on survey responses.

Need for Utility Cooperatives

The need for cooperatives lies primarily in rural areas. Many of these cooperatives were established between the 1930s and the 1950s. In an interview with Jeff Pipkin of Hoosier Energy Cooperative, he stated: "Before that, farms could not get electricity. Electricity went to the cities where there was a large amount of population, and you could get so many customers per length of electric line, right?" There was also a demand for electricity to be distributed to rural areas, so these co-ops stepped forward and created a way for rural customers to gain access to electricity in their area. They believed that it not only provided electricity but also opened up development opportunities.

Types of Utility Cooperatives

In addition to electrical co-ops that provide electricity to rural communities, there are other types of utilities co-ops, such as telecommunications co-ops, which bring broadband and telephone lines to rural locations, and sewage and water co-ops, which provide sewage and water treatment facilities for rural community members. Figure 27 shows that most of the surveyed Indiana utility cooperatives provide electricity services, followed by telecommunication and fiber-optic broadband services. Hoosier Energy, Wabash Valley Power Alliance, and Indiana Electric

Cooperatives operate as larger-scale cooperatives that serve other cooperatives, essentially functioning as 'co-ops for co-ops,' similar to how a producer connects with its distributors (Figure 26). Hoosier Energy and Wabash Valley Power Alliance generate power and distribute it to their member co-ops. At the same time, the Indiana Electric Cooperatives provides more aid to the co-ops in the form of job and safety training, regulatory compliance, and government relations support, to name a few examples.

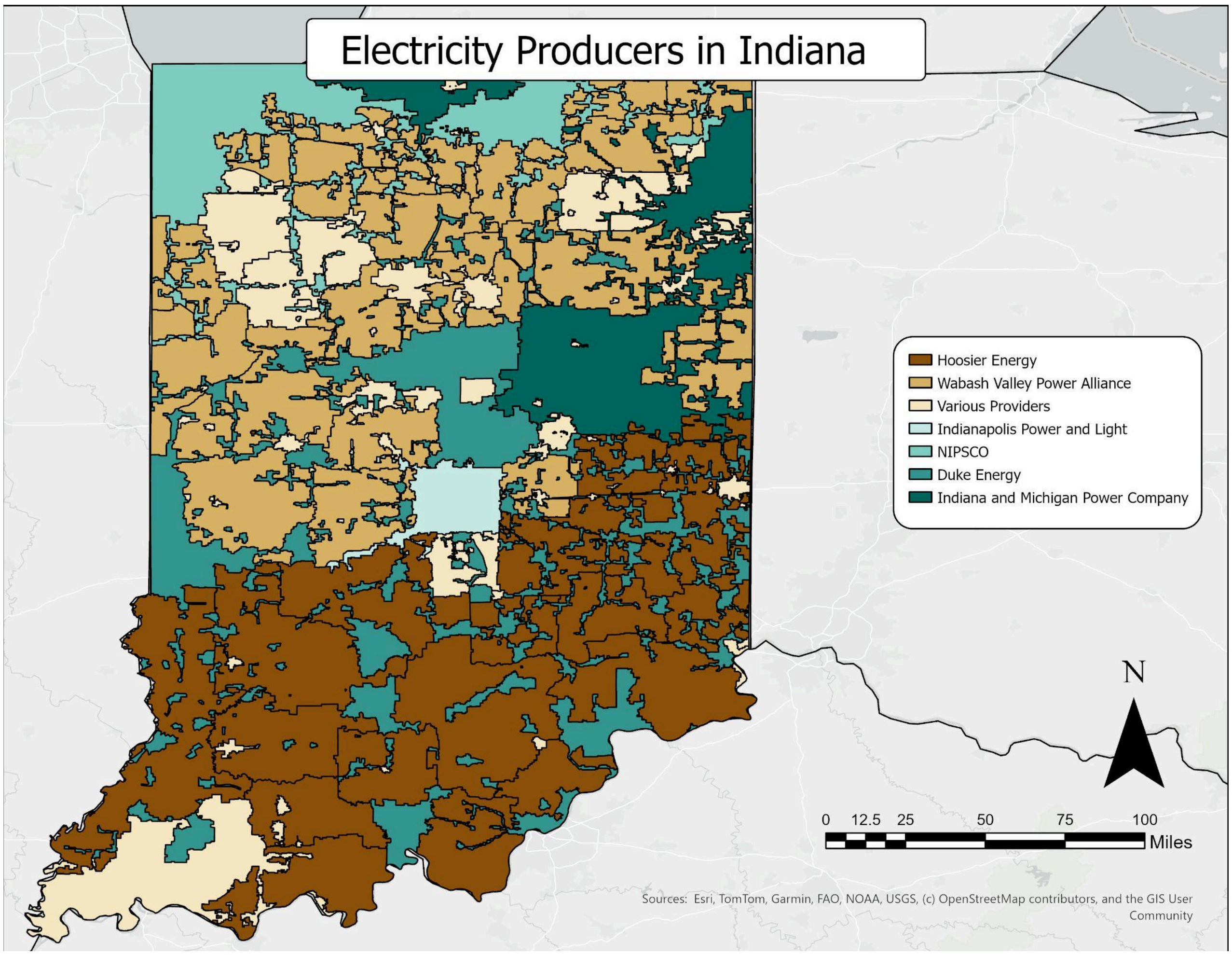

Figure 26. Electricity producers in Indiana. "Various Providers" category consists of co-ops and non-co-ops alike that produce power for their customers, but aren't linked to a co-op or a large company like Duke or NIPSCO.

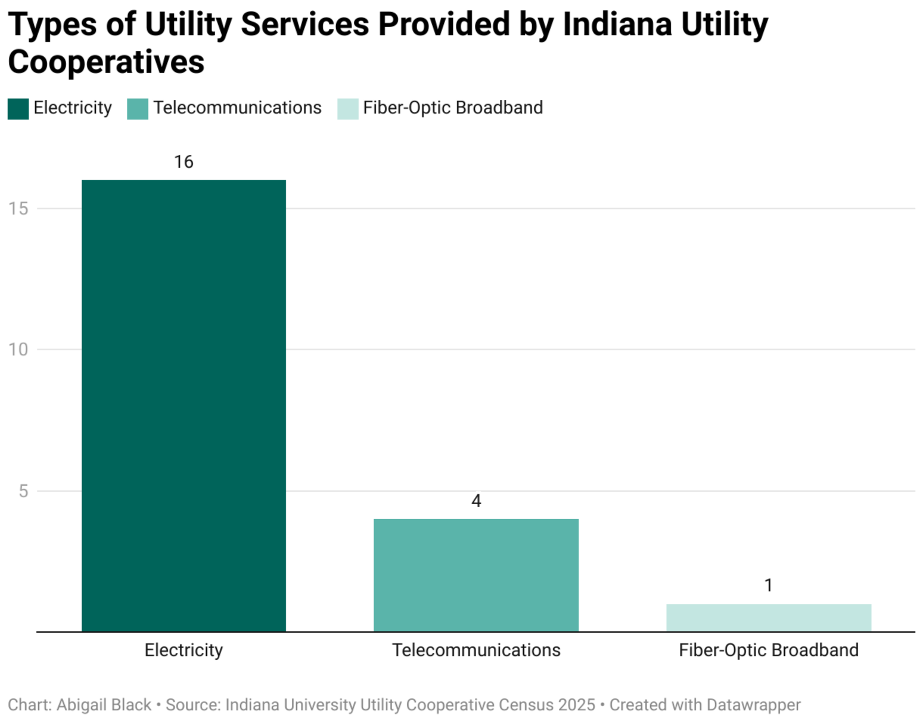

Figure 27. Types of utility services provided by Indiana utility cooperatives.

Although a multitude of utility cooperatives were investigated, the findings predominantly consisted of broadband and electric cooperatives, with only two sewage cooperatives and one water treatment cooperative identified. One of these sewage co-ops operates in Wisconsin but provides services in Indiana. The other is located in Clark County, along with the only water treatment co-op. It is likely that additional cooperatives exist for these amenities; however, they were not identified within the scope of this research. Future efforts should focus on identifying and supporting these lesser-known utility cooperatives. Both Hoosier Energy and Wabash Valley Power Alliance are based in Indiana, but they provide services to locations in Illinois and Missouri.

Figure 28 shows that 94% of co-ops have a board of directors that is elected by co-op members. The board of directors can send a letter to members, where they fill it out and return it to decide who will be added to the board of directors. Any member of the co-op is eligible to apply for a board position. Figure 28 shows that of the 94% who responded yes to having a member-based board of directors, 54% of co-ops had nine board members, which is the highest number of board members recorded. The lowest number of board members recorded was six. Many of the existing electrical co-ops are the result of multiple mergers of smaller co-ops to cover a larger area. For example, one co-op could actually be a conglomerate of three older electrical co-ops that have decided to work together.

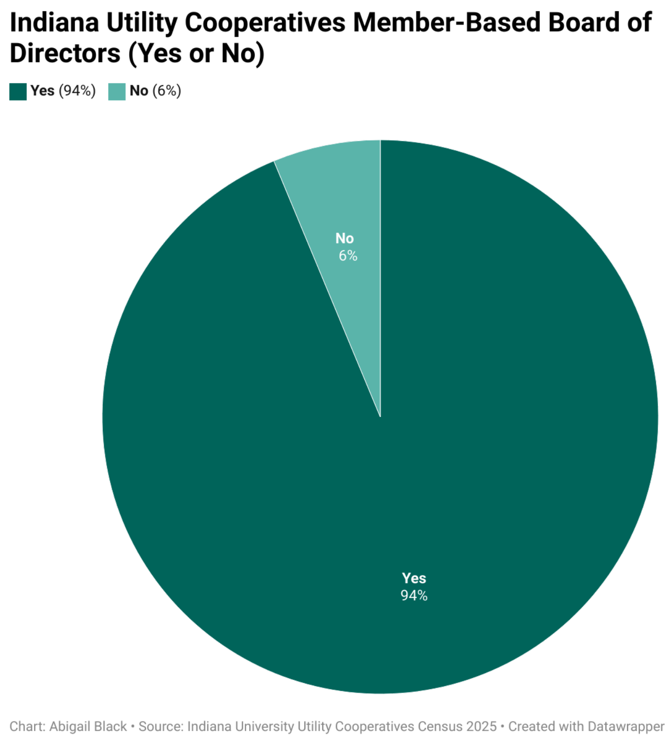

Figure 28. Indiana utility cooperatives member-based board of directors (Yes or No).

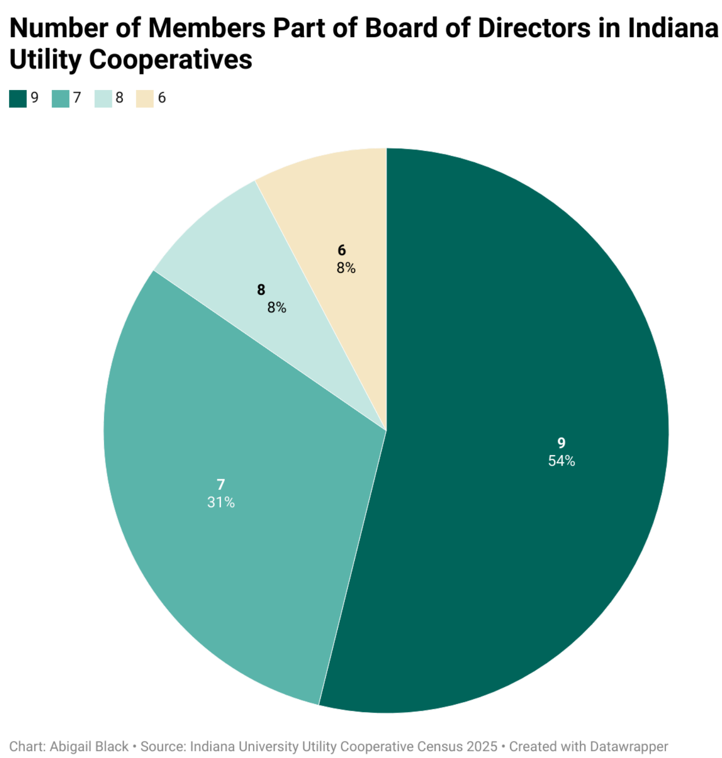

Figure 29. Number of members part of the board of directors in Indiana utility cooperatives.

Challenges

As seen in Figure 30, approximately 30% of co-ops that responded to the survey reported encountering issues with member engagement, and 30% of respondents claimed to have regulatory issues. Regulatory issues can typically refer to laws and regulations that govern the formation, operation, and activities of a cooperative's business; the survey respondents did not specify the specific regulatory challenges they faced. In an interview with Jeff Pipkin, it was mentioned that many co-ops encounter issues convincing large-scale projects that they are the best electrical option in the area, as they are often perceived as smaller in scale. Another issue that was encountered, as mentioned by Mr. Pipkin, is that there seems to be a general misunderstanding about what a co-op is. The members are aware that they derive their energy from them and that credit unions exist, but that is as far as their knowledge extends, and they do not participate in many co-op activities. There appears to be a need to educate the public on what co-ops are about and that they are not just small-scale operations serving rural farmers. "I think there might be a perception out there that co-ops are small and conservative, and they might not have the ability to take on large projects, like data center projects or something like that, you know…," demonstrating their potential for expansion.

Figure 30. Challenges faced by utility cooperatives in Indiana.

Recommendations

Figure 31 shows a word cloud of the most mentioned resources and support the surveyed utility cooperatives would like to see. Surveyed utility cooperatives identified several key resources and supports that would enhance their operations and impact. Foremost among these was access to economic development tools, such as REDLG loans and state grants or loan opportunities, as well as financial assistance for infrastructure improvements. Respondents emphasized the need for grant writing support, training grants, and programs to aid in workforce development and hiring. Additionally, cooperatives emphasized the importance of cybersecurity solutions in protecting rural electric systems against growing digital threats. Greater public understanding of cooperative business models, along with community advocacy—particularly for the expansion of fiber optic technology—were also seen as valuable assets. Finally, respondents called for streamlined regulatory processes and easier access to property easements to support service delivery and expansion.

Figure 31. Word cloud of the resources/support that would benefit utility cooperatives in Indiana.

To strengthen utility cooperatives in Indiana, targeted support should focus on expanding access to key financial and technical resources. Enhancing the availability of training grants, hiring assistance programs, and education on new technologies can build internal capacity and workforce resilience. Introducing dedicated cybersecurity initiatives will help cooperatives address growing digital vulnerabilities. In parallel, simplifying regulatory procedures and improving the process for securing property easements would reduce operational barriers. Promoting public education about the role and value of cooperative utilities, along with fostering grassroots advocacy for infrastructure like fiber optics, can also increase community engagement and policy support. These combined efforts position utility cooperatives to better serve rural communities and adapt to future challenges.

12. Conclusion

Findings across cooperative sectors in Indiana reveal both shared challenges and sector-specific opportunities. In agriculture, small farmers face pressures to merge with larger entities due to competition and limited capital, often undermining democratic governance. Financial incentives and technological tools—such as satellite-based monitoring—could empower small cooperatives to remain independent and efficient. Childcare cooperatives similarly require targeted support, including grant navigation assistance, marketing strategies, and opportunities for geographic expansion—particularly in underserved regions.

Credit unions need enhanced digital infrastructure, marketing visibility, and shared staffing models to remain competitive and community-focused. Housing cooperatives face legal and operational challenges, necessitating technical support, maintenance partnerships, and training in conflict resolution. Food cooperatives would benefit from professional consulting, leadership training, and funding strategy support to mitigate economic pressures and promote inclusive governance. Mutual insurance and utility cooperatives are seeking policy reforms, shared digital services, and public education to enhance their viability, particularly in rural regions. Collectively, these findings underscore the need for systemic investments in cooperative infrastructure, outreach, and education to ensure the resilience and growth of cooperatives across Indiana.

To expand the reach and impact of cooperatives in Indiana, particular attention should be given to their potential in serving rural communities and addressing the urgent needs of urban communities, such as housing and childcare. Rural areas often face limited access to essential goods, services, and stable employment opportunities—gaps that cooperatives are well-positioned to fill. Support for cooperative development in these regions should include targeted funding streams, localized outreach initiatives, and tailored technical assistance to help communities organize around shared needs. Encouraging the growth of agricultural, utility, and consumer cooperatives can also help stabilize rural economies by rooting ownership and decision-making power within the community.

Equally vital is the expansion of education, resources, and hands-on support for cooperative formation and sustainability. Many people remain unaware of cooperative models or lack the resources and know-how to launch and manage one effectively and sustainably. This highlights the importance of disseminating cooperative principles more broadly through public education campaigns, partnerships with universities, and cooperatives themselves. Additionally, fostering worker and multi-stakeholder cooperatives can create more equitable workplaces, particularly in sectors vulnerable to precarity. Technical support centers such as ICDC can offer mentorship, legal assistance, and practical resources to allow diverse groups—including workers, consumers, and community members—to co-own and govern cooperative enterprises.

13. Cited References

Cooperatives in Indiana

International Co-Operative Alliance. (n.d.). *Cooperative identity, values & principles*. International Co-Operative Alliance. https://ica.coop/en/cooperatives/cooperative-identity

Agricultural Cooperatives

Cooperative Services. (2015, March 18). Rural Development. https://www.rd.usda.gov/programs-services/services/cooperative-service

Frederick, D. A. (1985). *What Are Patronage Refunds?* United States Department of Agriculture.

Frederick, D. A., Wadsworth, J. J., & Eversull, E. E. (1997). *Co-ops 101: An Introduction to Cooperatives*. United States Department of Agriculture; Rural Development.

Keller, A., & Kassel, K. (2025, April 9). *Number of U.S. farms continues slow decline | Economic Research Service*. United States Department of Agriculture; Economic Research Service. https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=111304

Miller, G. H. (1954). Origins of the Iowa Granger Law. *The Mississippi Valley Historical Review*, *40*(4), 657–680. https://doi.org/10.2307/1895862

Monthly Labor Review. (1936). *JSTOR*, *42*(2), 364–372. https://doi.org/10.2307/41814763

Munch, D. (2024, June 24). *The Crucial Role of Farmer Cooperatives and Why Active Participation Matters*. American Farm Bureau Federation. https://www.fb.org/market-intel/the-crucial-role-of-farmer-cooperatives-and-why-active-participation-matters

Reynolds, B. J., Wadsworth, J. J., & Frederick, D. A. (1996). Cooperative Merger/Consolidation Negotiations. In *Rural Business/Cooperative Service*. United States Department of Agriculture. https://www.rd.usda.gov/files/cir52.pdf

Volkin, D. (1985). Understanding Capper-Volstead. In *United States Department of Agriculture*. Rural Development.

Childcare Cooperatives

Bradley, R. H., & Vandell, D. L. (2007, July). Child Care and the Well-being of Children. JAMA Pediatrics. https://jamanetwork.com/journals/jamapediatrics/fullarticle/504550.

Dilley, J., & Fry, M. (2024, September). Childcare: The state of early care and education in Indiana. Indiana University Public Policy Institute. https://policyinstitute.iu.edu/doc/decision-2024-childcare.pdf.

Early Learning Indiana. (2025c, March 15). Closing the Gap. https://earlylearningin.org/closing-the-gap/.

Littlepage, L., Roll, A., & Ridge, C. (2018, June). Lost Opportunities: The Impact of Inadequate Child Care on Indiana's Workforce & Economy. Early Learning Indiana. https://earlylearningin.org/wp-content/uploads/2018/10/economic.impact_early.learning_sep.28.2018_final.pdf.

Indiana Council of Preschool Cooperatives (ICPC). Our history. (2020). https://indianapreschoolcoops.org/our-history#:~:text=Cooperative%20preschools%20came%20to%20Indiana,%2C%20Northeast%2C%20and%20Castleton%20Kindergarten.

Credit Unions

America's Credit Unions. (2024). Indiana trends report. https://americascus.widen.net/s/zgzx2rbpjz/indianatrends

Banzai. (n.d.). https://www.teachbanzai.com

Credit Union Co-Op Survey. (2025, April). Indiana Co-op Census Project Data. Indiana University GEOG-G 498 Student Research Team.

Credit Union Times. (2023). Mergers reshape the cooperative banking landscape. https://www.cutimes.com/

FDIC. (2022). Banking deserts in the United States: An analysis of branch closures. https://www.fdic.gov/

Federal Deposit Insurance Corporation. (2022). How America Banks: Household Use of Banking and Financial Services. https://www.fdic.gov/analysis/household-survey/

FORUM Credit Union. (2025). FORUM Foundation. https://www.forumcu.com/foundation

Indiana Credit Union League.Information about Indiana's credit unions. https://www.icul.org/advocacy/information-for-policymakers/information-about-indianas-credit-unions

KOFE. (n.d.). https://www.kofetime.com

National Credit Union Administration. (2023). Credit Union Financial Trends Report. https://www.ncua.gov

Zogo Finance. (n.d.). https://zogofinance.com

Food Cooperatives

7 cooperative principles - values of a co-op. NCBA CLUSA. (2025a, April 28). https://ncbaclusa.coop/resources/7-cooperative-principles/

Snap double dollars program. Bloomingfoods Co-op Market. (n.d.). https://www.bloomingfoods.coop/snap-dd-program

Food insecurity in Indiana. Indiana University. (2024, September). https://policyinstitute.iu.edu/doc/food-insecurity.pdf

Gleaners Food Bank of Indiana. (2024, June 18). *Map the Meal Gap 2022 data shows sharp rise in food insecurity*. https://www.gleaners.org/map-the-meal-gap-2022-data-shows-sharp-rise-in-food-insecurity/

Maple City Market. (n.d.). *About us*. https://maplecitymarket.coop/aboutus/

People’s Cooperative Market. (n.d.). *About*. https://www.peoplesmarketbtown.org/about

Feeding America. (n.d.). *What is food insecurity?* https://www.feedingamerica.org/hunger-in-america/food-insecurity

National Co+op Grocers. (n.d.). *Maple City Market*. https://www.ncg.coop/partners-find/in/maple-city-market

Herald-Times. (2025, February 3). *Dept. of Health email says Bloomington People's Market lost farmers' trust*. https://www.heraldtimesonline.com/story/news/local/2025/02/03/dept-of-health-email-says-bloomington-peoples-market-lost-farmers-trust/77980419007/

Housing Cooperatives

National Low Income Housing Coalition. (n.d.). Indiana housing needs. https://nlihc.org/housing-needs-by-state/indiana

A History of Housing Cooperatives | National Cooperative Law Center. (n.d.). https://www.nationalcooperativelawcenter.com/coop-locator/the-history-of-housing-cooperatives

Mutual Insurance

Anonymous (2025, April). *Interview with NAMIC representative on mutual insurance co-ops in Indiana*. Conducted by Indiana University GEOG-G 498 student research team.

International Cooperative Alliance. (2023). *Cooperative identity, values & principles*. https://www.ica.coop

Mutual Insurance Co-Op Survey. (2025, April). *Indiana Co-op Census project data*. Indiana University GEOG-G 498 Student Research Team.

National Association of Mutual Insurance Companies. (2024). *About NAMIC*. https://www.namic.org

Utilities Cooperatives

Born, E. (1985). *Power to the People: A History of Rural Electrification in Indiana*.

Indiana Statewide REC, Inc. (1980). Rural electric cooperatives serving Indiana. Indiana Statewide REC, Inc.

Seibert, S. (2017). The value of electric coops. Indiana Connection. https://www.indianaconnection.org/value-electric-cooperatives/