

Member Engagement

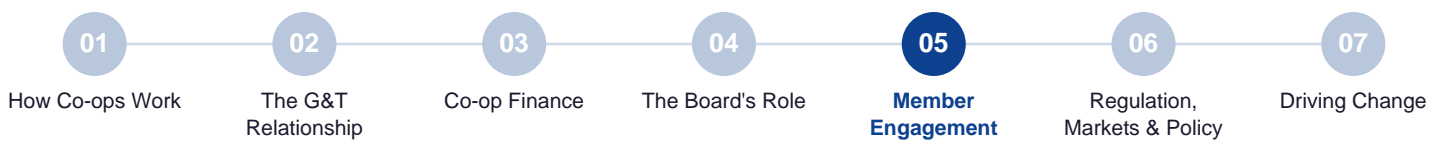
What every co-op leader should understand
about how member-owners participate in their cooperative.

For boards and staff of rural electric cooperatives.

Member Engagement

ABOUT THIS SERIES

This is the fifth resource in the Co-op Foundations Series from Co-op Innovation Network. Earlier volumes cover the structure of the rural electric cooperative, from how co-ops are organized and financed to the role of the board that governs them. Volume 5 turns to the relationship at the center of the model, the one between the cooperative and the member-owners it serves.



Introduction

A rural electric cooperative is owned by the people it serves. If you pay a bill to the co-op, you are not just a customer, but also a member-owner. You hold a share in the cooperative and a voice in how it is run. That ownership is what sets a co-op apart from an investor-owned utility.

Ownership only means something when members embrace it. Yet many member-owners never think of themselves as owners at all. They see a power bill, not a stake in a business they help govern. That gap is where member engagement begins. Before members can act on that ownership, they have to know the cooperative is theirs.

Building that engagement is worth the effort. Engaged members hold leadership accountable, and they also make the cooperative stronger and less costly to run. This volume looks at what it means to be a member-owner, why engagement is often low, the value an engaged membership brings, and how cooperatives build participation that lasts.

WHY THIS MATTERS

Ownership

Members are owners, not just customers. That ownership carries a real voice in how the cooperative is run.

The Gap

Many members do not know they are owners. Closing that gap is the cooperative's first task.

The Value

An engaged membership holds leadership accountable. It also strengthens the cooperative and lowers the cost to serve.

What It Means to Be a Member-Owner

In a rural electric cooperative, the members are the customers and the owners at the same time. If a resident or business pays an electric bill to the co-op, they hold a share of ownership in it. Together, these member-owners own the cooperative and elect the board that sets its rates and policies.

OWNER, NOT JUST CUSTOMER

One member, one vote

Ownership is shared equally. Each member generally gets a single vote in cooperative elections, regardless of how much power they use. A large business and a single household carry the same weight at the ballot box.

A stake in the outcome

Because the co-op is owned by its members and not outside shareholders, money left over after costs is credited back to members over time rather than paid out to investors. The people served are the people who benefit.

THE PARTICIPATION PRINCIPLES

Co-ops operate on seven principles, three of which speak to the bond between a co-op and its members:

- 1 Democratic member control**
 Members set policy and make decisions. They elect board directors from their own membership, and those directors remain accountable to them.
- 2 Members' economic participation**
 Members contribute to and share control of the capital of their cooperative. Part of that capital remains the common property of the co-op.
- 3 Education, training, and information**
 Co-ops inform members, directors, and staff so they can take part effectively. An informed membership is the foundation of a working democracy.

A NOTE ON TERMINOLOGY

The industry uses several terms for co-op members. This series uses **member-owner** and **member**.

Member-owner: A person or business that buys power from the co-op and holds a share of ownership in it.

Member: The same person, used where ownership is understood and it reads better without the longer term.

Ratepayer: An industry term for anyone who pays a utility bill, whether they are served by a co-op, an investor-owned utility, or a municipal utility. The term is used less in cooperative settings, where it can suggest a passive bill-payer rather than an owner. It remains common in industry research.

The Participation Problem

The cooperative model gives members real power. In practice, much of it goes unused. Across the country, a large share of members do not know they are owners at all, many board seats go uncontested, and the information needed to take part is often hard to find. The result is a gap between the cooperative and the people it serves.

<10%

In most co-ops, fewer than 10% of members vote in board elections. This is just one example of low participation that can deepen the disconnect between a co-op and its members.

WHY PARTICIPATION IS LOW



Members do not know they are owners

Many member-owners think of the co-op as just their power company. If you do not know you own something, you may treat it like any other utility and rarely think to weigh in.



Elections go uncontested

When board seats draw a single candidate year after year, voting can feel like a formality, and the incentive to take part fades.



Information is hard to reach

Some cooperatives make meeting times, candidate details, and financial records easy to find. Others do not, and that friction discourages members who might otherwise engage.

WHAT COMES NEXT

These barriers are real, but none are permanent. Co-ops can build participation over time, and the first step is seeing the value of an engaged membership.

The Value of an Engaged Membership

Engaged members do more than hold leadership accountable. When they take part, the whole cooperative runs better, and members and leaders alike share in the benefit.

ENGAGED MEMBERS



Lower costs for everyone

A member who understands that demand drives cost is likelier to act on it, shifting use away from peak hours or taking part in demand-response programs. Lower peak demand means lower wholesale power costs for the cooperative, and those savings reach every member.



Easier and less costly to serve

Co-op leaders consistently find that an engaged membership is simply easier to serve. Engaged members trust the cooperative, need less help with everyday matters, and are more likely to meet outages with patience and support rather than frustration and blame.



Higher member satisfaction

Co-ops earn high marks for customer satisfaction. On ACSI's national index, cooperatives score 77, ahead of municipal utilities at 74 and investor-owned utilities at 72. They top J.D. Power's surveys as well. Engagement can strengthen that advantage.

THE RESULT

Together, these build a stronger cooperative: easier to lead, easier to serve, and more rewarding for every member and co-op leader.

How Members Make Their Voice Heard

Membership comes with the right to take part in how the cooperative is run. That participation takes a few concrete forms. None of them requires special expertise, and each is a channel through which members help shape the direction of the co-op.



Vote

Members elect the board of directors. Most co-ops publish their election process and candidate information ahead of the vote.



Attend meetings

Members have the right to take part in board meetings and the annual meeting, where decisions and results are presented.



Amend bylaws

In many states, members can amend the cooperative's bylaws, the rules that govern how the co-op operates and how it is run.



Run for the board

Any eligible member can run for a seat. Requirements are set in the bylaws and are open to the membership at large.



WHO CAN RUN FOR THE BOARD?

Any member in good standing can put their name forward, and a willingness to show up and learn the issues matters as much as any formal credential. The specific requirements live in each cooperative's bylaws and vary from co-op to co-op, but they usually come down to three things:

- 1 **Where you live.** You live in the district the seat represents.
- 2 **No conflict.** You have no business tie to a competing energy provider.
- 3 **Good standing.** Your cooperative account is current and in good standing.

What Drives Engagement

Cooperatives that engage their members well tend to do a few of the same things, none of them complicated. They make participation easy, make information available, give members a reason to show up, and offer more ways to engage.

DRIVER ONE

MAKE PARTICIPATION EASY

When voting and meetings fit into members' lives, more members take part.

- Mail-in and electronic ballots, with longer voting windows
- Evening, weekend, virtual, and livestreamed meetings
- Drive-through voting and registration

DRIVER TWO

MAKE INFORMATION AVAILABLE

Participation depends on knowing what is going on, well before decisions are made.

- Board meeting times and minutes, published openly
- Candidate biographies and statements ahead of elections
- Clear, plain-language financial summaries

DRIVER THREE

GIVE MEMBERS A REASON TO SHOW UP

The annual meeting can be more than a formality, and the connection can last all year.

- Direct question-and-answer time with leadership
- Meals, community gatherings, and member appreciation
- Newsletters, member apps, and regular updates between meetings

DRIVER FOUR

OFFER MORE WAYS TO ENGAGE

Voting and meetings are not the only way to participate. The strongest co-ops invite input all year.

- Community forums and listening sessions
- Member advisory groups on specific issues
- Feedback channels that actually shape decisions

Where Engagement Falls Short

Engagement efforts can miss the mark even when the intent is good. A few patterns come up again and again, but each can be addressed.

THE PITFALLS

- ⊗ Treating engagement as public relations, where outreach informs but does not invite a member's voice.
- ⊗ Holding meetings members cannot get to, at one time and one central place.
- ⊗ Keeping information behind a wall, where details are hard to find.

WHAT WORKS INSTEAD

- ✓ Build real channels for input, and use the answers to shape decisions.
- ✓ Offer flexible timing, multiple meeting locations, and remote options.
- ✓ Publish the essentials openly and in plain language, ahead of time.

Engagement is less about offering a specific set of programs and more about taking the steps necessary to develop a relationship with your members. Investing in that relationship yields what this volume has described throughout: a membership that lowers costs, is easier to serve, and leaves the cooperative stronger for everyone in it.

COMMON QUESTIONS

Do member-owners really have a say, or is the board in charge?

Both. The board governs day to day, but members elect it, can run for it, and in many states can amend the bylaws that bind it. In the end, the board answers to the membership.

Is low participation a sign the co-op is failing?

Not by itself. Low participation is common across the sector, and many well-run co-ops see it. It is less a sign of failure than a missed opportunity, since a cooperative is strongest when more of its members take part.

Why should I vote if elections are uncontested?

Even an uncontested seat sits on a real ballot, and a strong vote shows that members are paying attention. Turnout and interest can also be what prompts new candidates to step forward.

What is a quorum, and why does it matter?

A quorum is the minimum number of members needed for a meeting's decisions to count. Low attendance can leave a co-op without a quorum, so decisions have to wait. That is part of why participation matters.

Can renters or seasonal members take part?

Eligibility follows the membership account, so anyone who holds an account can usually vote and run. The cooperative's bylaws spell out the specifics.

What is the most effective thing a co-op can do to improve engagement?

Make participating easy and make information readily available. Most gains in engagement trace back to lowering the effort it takes to get involved.

Sources & Acknowledgements

The Co-op Innovation Network (CIN) extends its gratitude to the authors, organizations, and industry leaders whose research, insights, and expertise informed this resource.

- **Institute for Local Self-Reliance**

Re-Member-ing the Electric Cooperative (2016); research on member voter turnout, disengagement, and re-engagement (ilsr.org).

- **Climate Cabinet Education, with the Regulatory Assistance Project (RAP) and Pace Energy and Climate Center (PECC)**

Research on cooperative transparency, accessible meetings, and member participation practices (climatecabineteducation.org).

- **Alaska Energy Transparency Project**

Member-engagement and board-meeting transparency framework (akenergytransparency.org).

- **International Cooperative Alliance**

The seven cooperative principles, including democratic member control and members' economic participation (ica.coop).

- **American Customer Satisfaction Index (ACSI)**

National energy-utility satisfaction surveys comparing cooperatives with municipal and investor-owned utilities (theacsi.org).

- **J.D. Power**

Electric Utility Residential Customer Satisfaction Study, including its cooperative segment (jdpower.com).

SPECIAL RECOGNITION

Frances Sawyer

Pleiades Strategy

Special thanks for her contribution to the Co-op Foundations Series. Her research helped shape the content of each volume.

Contact

www.coopinnovation.org

info@coopinnovation.org

01

How Co-ops Work

02

The G&T Relationship

03

Co-op Finance

04

The Board's Role

05

Member Engagement

06

Regulation, Markets & Policy

07

Driving Change