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Opportunity Development Cooperatives Factsheet

What is an Opportunity Development Cooperative?

An Opportunity Development Cooperative (ODCs) is a for-profit co-op, made up of local community members, who identify businesses, projects, or causes into which they choose to invest as a co-op.

Opportunity Development Cooperatives, also known as investment cooperatives, are a new and innovative model for rural and urban economic and business development that effectively bridge the gap between local investors and local ventures in need of financing.

ODCs are a cost-effective, community-owned, and controlled impact fund. They enable residents to become accountable partners in locally-driven economic development, which leads to healthier and more sustainable communities and economies. In other words, local money won't be invested in stocks and mutual funds, but more importantly, in local projects and people.

How does an Opportunity Development Cooperative work?

An Opportunity Development Cooperative is a typical cooperative. Potential members form a steering committee and go through the process of incorporating a co-op. ODC's can form around a pre-identified project or find their investment opportunities after incorporation.

ODCs can sell both common stock (ownership) and preferred stock. Most ODCs keep their common stock at an affordable price so more community members can invest and impact their economic future.

What are the benefits of an Opportunity Development Cooperative?

Opportunity Development Cooperatives are directed by local leadership and use community-based financing. Co-op members decide how their funds will be used to have the greatest impact on their community.

ODCs spark economic development, create jobs, aid in business succession, and support young entrepreneurs. ODCs ensure local communities thrive by growing local leadership, empowering members, and building community pride.

ODCs help communities discover ways to increase their wealth and well-being by organizing and directing resources towards local opportunities that have lasting positive impacts where it counts the most, at home.

What is the return on investment for Opportunity Development Cooperatives?

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Opportunity Development Cooperatives are structured as Chapter 15 cooperatives, and Montana law allows up to 6 percent annual returns to members. Although each member's yearly return will be modest, the community's economic benefits will be significant.

ODCs members are community-focused, patient investors that want to invest in long-term projects that will benefit the community at large. In general, ODCs investments will sustain businesses, finance innovative products and projects, and solve problems facing their communities. In other words, money won't be in stocks and shares, but in projects and people.

What does an Opportunity Development Cooperative invest in?

The projects an Opportunity Development Cooperative supports are as unique to the co-op as they are the community they serve. Many ODCs make capital investments into area real estate. Others may choose to invest in social enterprises that aid in the well-being of their communities. ODCs can also establish revolving loan funds to help businesses with startup and working capital.