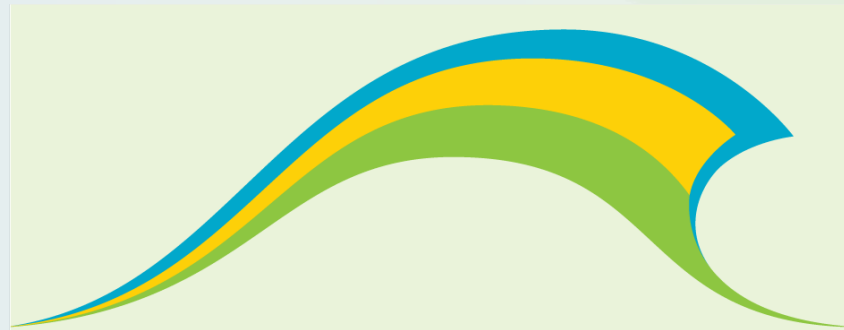


Measuring the Impact of Credit Unions on Wealth Building in Communities

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

Preliminary Findings

Advantage Credit Union Indicators

- **Community Involvement**
 - investment, scholarships, policy advocacy
- **Community Economic Development**
 - enterprise development, financial services, community programs, local procurement, affordable housing, micro lending
- **Service Provision**
 - types, quality, professionalism, innovations, personalized, only financial institution
- **Skills and Leadership Development**
 - training programs –staff and member, member participation at AGM, participation on board
- **Employment**
 - Salaries, benefits, hiring practices
- **Environment and Sustainability**
 - green buildings, recycling

Methods

- Research design and recruitment in collaboration with Affinity
- Participants:
 - **IDA**: n = 6 former program participants
 - **District Council Funds**: n = 16 recipients of funds (organization executives)
 - **Community Loans**: n = 3 recipients of loans (organization executives), ongoing

Findings

- Outcomes
- If not for Affinity...
- Wider Impacts
- Effects of Affinity Growth

Outcome of Support IDA Program

Knowledge

- Labour laws and regulations

Skills

- Budgeting
- Job acquisition
- Resume writing
- Saving
- Personal advocacy

Money

- Car
- Down payment on an apartment

Outcome of Funding District Council Funds

- Ability to start a project
- Ability to continue a program:
 - safely
 - effectively
 - long-term and/or
 - broadly
- Venue maintenance

Outcome of Funding Community Loans

Mortgages

- Community theatre
- Headquarters and recreation area
- Housing co-operatives
- Transitional housing
- Affordable rental housing
- Community enterprise centre

Projects

- Mostly grants from Affinity

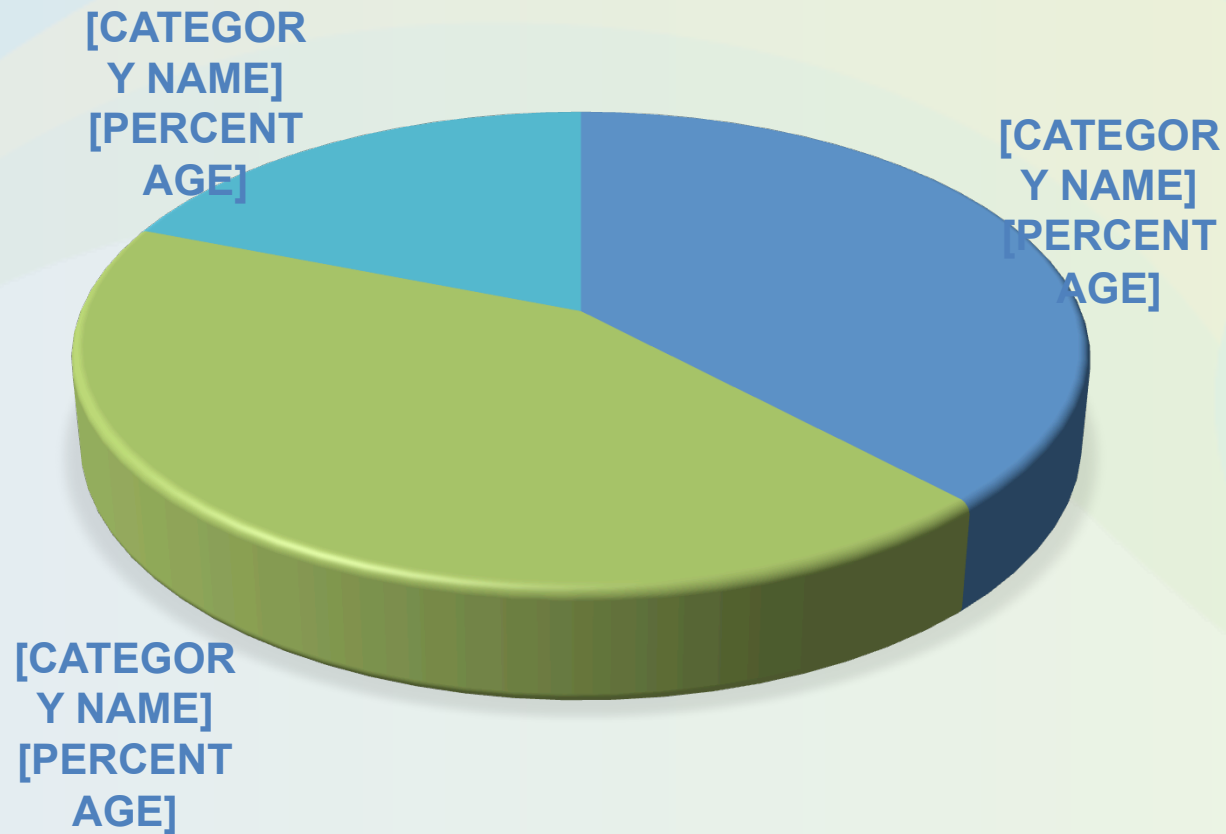
Line of credit

- Grocery store (co-op)

If Not for the Program... IDA Program

- “[I wouldn’t have gotten] more organized in my life and look into my future and that’s probably one of the reason why I went to university after high school.”
- “most likely I wouldn’t be involved in all of the other things I’m involved in... It made me a stronger person... I actually hosted and went on an exchange with ten other students plus a chaperone that I hired”
- “I might have been able to do all these things but... it might have taken me longer... it pushed me to go out there and be open, make friends, and don’t be scared, and it helped me a lot with the culture too.”

If Not for the Funding... District Council Funds



If Not for the Funding... Community Loans

“I don’t know where we’d be... without the credit union. As I said, they were very... respectful... they wanted to make this happen for us... I’m not sure. I think we could’ve proceeded, but I think we would have been probably a higher interest rate um because um um. That’s a good question, **I don’t know.**”

If Not for the Funding... Community Loans

“...we had a board member who suggested to us ‘...let’s go talk to the Bank... to see if they’ll finance this one project...’... So we went there and we talked to the branch manager... it turns out that they couldn’t make the decision at the branch. So they had to send it off to Calgary who then sent it off to the Toronto head office and... it might take who knows how long before it got up there, what the process was once it left the city here. But on the other hand when we were working with Affinity, heck I could even... phone up the CEO and set up a meeting... And he could help... pave the way a little bit for us... **we see credit unions as... locally democratically controlled pools of assets that we should be able to use.**”

If Not for the Funding... Community Loans

“...My board all said ‘why don’t we just go?’ And I said ‘you know what, the last three years, four years, I’ve been in that manager’s office all the time and **they stuck through us in the important things...** We’re just going to tell them that we’re disappointed. We’re gonna tell them that we’re frustrated, we’re gonna ask them how **we’re going to fix the relationship.**’ So that’s what I did. That’s what we did together.”

Wider Impacts IDA Program

- Employment
- Helped their families financially
- Taught lessons to peers
- Community volunteerism

Wider Impacts

District Council Funds

- Brings community together
- Tourist dollars
- Higher education, self-confidence, self-esteem, empowerment, inspired to pursue a career
- First step of a larger project
- Pass on cultural knowledge and skills

Wider Impacts Community Loans

- “The health and wellbeing of the whole city is tied to how well” its most vulnerable components are doing.
- The more people they help, the more people seek help
- Awareness
- A space for everyone

Effect of Affinity Growth Community Loans

We used to take out mortgages on for housing projects... there was a lot of extra admin costs all of the sudden because we were going through all the commercial lending department... So we phoned up Myrna and Irene... saying: 'What's going on here? Why are we getting billed an extra uh three or four thousand dollars to hire a second lawyer? When we've already had a lawyer do all the work her but they now need their own lawyer to do it. This never used to happen here...' And so they [said]: 'oh, yeah, OK, these are some of the unintended consequences of them trying to, trying to make it unified for the whole province'... Last we talked with Myrna and Irene, they were trying to figure out how... the community lending policy and the commercial loans policies, how they fit those two together without one working against the goals and objectives of the other... we haven't heard. It's probably a more complicated endeavour than we thought because it was about two years ago... you're serving a broader segment of membership. Different outlooks and needs and different philosophies. And maybe community economic development and affordable housing don't receive the same level of priority anymore even though they have a lot more capacity to do it now, maybe it becomes different priorities, or maybe they're priorities of Shellbrook and Shaunavon than they're the needs of the City of Saskatoon. Who knows, you know?... It's pretty wide, the discussions on the board become a much bigger discussion than the needs of the core neighbourhoods of Saskatoon...

Impact of Affinity Growth: Community Loans

- **Credit union advantage:**

- What does a credit union have to go on when it competes against the big banks? It's not interest rates... **They have the philosophy...** It's walking into a branch and have someone know your name and know your account.... They remember things about the business, they know things about my family, that's why, that's a big part of membership, feeling like you belong. **Feeling like you're welcomed and respected and appreciated as a client...**

- **Problem**

- "I think Affinity, right now, they're their own worst enemy... **they've grown at such a rate that they are starting to have some of those bigger corporate problems...** Every once in a while I'll have a new CSR down at the branch and they don't know who I am, they don't know we've been there forever and they'll be like 'oh, I see on your account here, duh duh duh, would you be interested in opening a new chequing' and it's like 'no. I wouldn't be interested in that and please don't ever try and sell me the product again. You know, I know what I need and we're in a relationship in which that gets met and if I [have] questions you're gonna help me, but **don't try to sell me bullshit.** They've taken that from the mainstream banks.

- **Solution**

- I think the Credit Union needs to make sure... they **foster people who want to stay there...** Don't hire 20-year olds [or] hire them on with the provision they got to give 18 months before they can move out of it, or, quite frankly, selectively hire, and find people who are 40, 45, who have no interest or desire to become financial planners, who have no interest to become branch managers. Get someone who will put 35 hours a week in, get their breaks, enjoy their client relationships and go home... They should make sure their face is as good as their head.

Measuring Up to the Indicators

Indicator heading	Indicator sub-heading	Met by Affinity?
Community involvement	Investment	Y
	Scholarships	Unknown
	Policy advocacy	Unknown
Community Economic Development	Enterprise development	Y
	Financial Services	Y
	Community Programs	Y
	Local procurement	Unknown
	Affordable housing	Y
	Micro-lending	Y
Service Provision	Diversity	Y
	High Quality	Y
	Professionalism	Y
	Innovations	Unknown
	Personalized	Somewhat
	Only financial institution	Sometimes

Measuring the Cooperative Difference Research Network

Conclusions

- Positive reactions
- Impactful
- Ripple effect
- Future research:
 - Microloan programs
 - Accessible housing program