

Economic Impacts and Social Values

In today's uncertain economic times, there's value in taking a closer look at a group of reliable financial institutions that are operating within an under-utilized and largely misunderstood alternative business model. These organizations, which began in December 1900, are positioning themselves to re-assert their differences and become more prominent in the financial industry.

This alternative business model is a co-operative; the institutions are credit unions.

Adhering to a basic philosophy that the most important business strategy is to serve the member/owners has enabled credit unions to develop into the competitive organizations they are today. Understanding of, and adherence to, the co-operative principles is the *raison d'être* for Canada's credit unions.

If you weren't already aware, 2012 has been designated [International Year of Co-operatives](#) by the United Nations. What better excuse to share some numbers about Canada's 419 credit unions. According to the [Credit Union Central of Canada](#), credit unions in Canada employ over 25,000 individuals to serve the 5 million-plus member/owners. This service is delivered in over 1730 credit union branches located in all areas of the country from the largest cities to small rural settlements. Credit unions hold over \$117 billion in assets. Together, they constitute the second largest lender to small businesses in Canada...a significant contribution and critical to the economic strength of the country.

But, when talking about credit unions it is important to look behind or perhaps beyond the economic impact. In addition to lending to the businesses that fuel the economy, credit unions are critical to the community itself. In many instances, if it were not for the credit union, the community would not have access to a financial services provider. More often than not, employees of credit unions also live in the community they serve. This allows them the advantage of being able to understand the needs of that community and support the objectives that are important to its growth and well-being.

Credit unions epitomize 'co-operative' social responsibility by making a real and sustainable difference in the lives of their member/owners and their community. They lead the way in community giving and volunteerism; through donations, services, scholarships and volunteerism, credit unions contributed more than \$37.5 million to individuals and organizations in their communities in 2010.

The small community of Churchbridge, Saskatchewan is a great example. One of the flagships of their community is the town's public swimming pool. When the staff of Churchbridge Credit Union learned of the need to replace the worn, 40-year old relic, they dove right in as it were. By pioneering initiatives such as staff and board matched donations, holding community BBQs and offering town residents a 0% interest free loan program to encourage participation, over \$32,000 was raised. And if that wasn't enough, staff members voluntarily sat on the planning committee and worked on the building and on the fundraising efforts to support. A true community approach for the 900 residents.

There are success stories like this one all across Canada. With help from local credit unions, many communities continue to prosper, both economically, and in corporate giving thanks to the creation of the co-operative principles over 100 years ago. Those principles are still alive – and are a viable alternative for us all in 2012 and beyond.

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